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Cognizant Technology Solutions Corp.

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MANAGEMENT DISCUSSION SECTION

Tien-Tsin Huang
Analyst, JPMorgan Securities LLC

All right. We're ready to go. Day 3 of the TMC Conference. It's a happy day for me when it's a day 3 because it's the last day. But always grateful to have all these great companies and executives come. Of course, my name is Tien-Tsin Huang. I follow the IT services sector at JPMorgan. Of course, we've got Cognizant with us. Always great to have the Cognizant team join us. We'll do a fireside chat.

With us from Cognizant, Jatin Dalal, CFO; as well as Tyler Scott, who does an amazing job in Investor Relations. And I'll just – again, I'll kick off with these questions. Happy to take questions from the audience, also from the portal. So feel free to use that. But welcome. Thank you both for being here. I know how busy you are.

Jatin Pravinchandra Dalal
Chief Financial Officer, Cognizant Technology Solutions Corp.

Thank you. Very happy to be here.

[indiscernible] (00:00:46)

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QUESTION AND ANSWER SECTION

Tien-Tsin Huang
Analyst, JPMorgan Securities LLC

Q

Of course. Let's get right into it. So, Jatin, for you, a little over a year into the job, so I'd love to hear from you. Of course, the – what findings have you had here now that you've been, what have you learned? What's been better than expected? What's been a little bit different? And, of course, some of the changes that you've been given your past experience, what's worked?

Jatin Pravinchandra Dalal
Chief Financial Officer, Cognizant Technology Solutions Corp.

A

Thank you, Tien-Tsin. So I would say, many things which I thought are present in Cognizant, which I saw from outside as a competitor were really present. So it wasn't something unusual to discover. But they were present in a far – at a far greater scale than that I had imagined from outside.

I think to start with, I think the first thing is just the culture of customer centricity, which was always, or which has been deferred in past, but it's very, very deep. It's very, very part of the DNA of the organization, be it the sales team, delivery team, architecture team, so on and so forth. So that's one.

The second is the will and keenness to win is very, very deep in this organization. So I feel very, very good when we go out on a pursuit, our ability to understand client ecosystem, build a very, very high-quality architecture of a deal, and then, see it through on the other side, not because of price, but because of all that we bring on the table.

And third is the infrastructure that Cognizant has built over the years in terms of IP. TriZetto is, I think, a spectacular asset to have within. Neuro platform that we have built over the last few years is a clear differentiation when I build a deal. So these are the few things, which has really positively resonated with me as an outsider who came from outside and started working and how I can leverage all of that to create organization success.

Tien-Tsin Huang
Analyst, JPMorgan Securities LLC

Q

That's great. Thanks for going through that. It's consistent with what we've heard. So just maybe dig into the quarter, you just reported it not too long ago, so the biggest takeaway for us is you're back in the winner's circle, something that was a goal that was set out by Ravi. What would you attribute that to? And, of course, there's a question of sustainability, and there's work to achieve that. But what would you attribute the return to winner's circle?

Jatin Pravinchandra Dalal
Chief Financial Officer, Cognizant Technology Solutions Corp.

A

So as we mentioned on the earnings call, this is a first quarter. So really, with – I mean, if at all, it's just a realization that, yes, we can do it and we are there, but nothing is proven until we do it for a few quarters in a row consistently, couple of years, three years in a row.

What has worked for us is that – a few things. One is we help rebuild the virtuous cycle of winning large deals, executing well. That gives us a right to win the next large deal, but also, it gives us the periphery discretionary

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spend that we can go after in a large deal, because it's very natural for customer to give you additional 10% when you're already doing 90%. So that virtuous cycle we started in 2022. In 2023, we won 17 deals. In 2024, we won 24 deals. Even in this quarter one, we did four large deals, one of which was megadeals. And all of that has worked well.

In fact, Tien-Tsin, I'm happy to share that on the earnings call we spoke about a few large deals in pipeline as we think about rest of the year. And between the earnings call and this morning, we have signed another mega deal.

Tien-Tsin Huang
Analyst, JPMorgan Securities LLC

Q

Great.

Jatin Pravinchandra Dalal
Chief Financial Officer, Cognizant Technology Solutions Corp.

A

So there is that virtuous cycle of winning, executing well, and therefore, building the right to win the next one I think has been the biggest contributor.

Tien-Tsin Huang
Analyst, JPMorgan Securities LLC

Q

No, that's great to hear. And thank you for the update. And I think maybe just talking about the state of spending and discretionary spending, you've mentioned it. It's great that the large deals have been happening for some time, but the short-term project work has been somewhat delayed. What's happening on the ground, especially post-Liberation Day, anything noticeable in terms of change or surprise?

Jatin Pravinchandra Dalal
Chief Financial Officer, Cognizant Technology Solutions Corp.

A

So you know, the environment remains fairly uncertain. The impacts are – the areas which have got impacted the most are the one which are associated with manufacturing and supply chain. So therefore, you have manufacturing sector, consumer products, retail, to an extent, even travel and hospitality. All of them are impacted a little more.

Beyond just tariffs, there are government priorities, which are impacting sectors like health, which we spoke about in our earnings call, has certainly looked slightly different from the beginning of April, compared to where it was in quarter one, and that we'll have to watch very carefully. The discretionary spend is good and it's sustaining well in BFSI segment. That is a sort of a good part of the overall picture that we see. So that's the current color on how the environment is impacting the client preferences.

Tien-Tsin Huang
Analyst, JPMorgan Securities LLC

Q

Yeah. No, that's fair. So I've talked to you and your peers and some of the private companies just debating this long downcycle or tough cycle of spending on the discretionary side, and really, since late 2022. And so it raises the question of is it cyclical or is it secular? So as you've examined it, and Jatin and Tyler, is there any observations or new color you would share on that debate?

Jatin Pravinchandra Dalal
Chief Financial Officer, Cognizant Technology Solutions Corp.

A

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I don't see a different trend. There is a trend of a secular discretionary demand that comes through the sector. If you see between 2014 and 2019, you will see a particular sector growth, which is led by the addition of work which is coming into the sector. That number has changed between 2020 and 2025.

The reason being that it got bundled up very, very sharply in the early part of the five-year cycle, post-COVID, two years, we had bonanza of discretionary spend and then it tapered off quite a bit. But I don't see that a living and breathing organization, which wants to capture new opportunity of technology and to make itself more efficient, more customer-ready, build better products through better engineering can stay out of a secular investment on technology, per se.

I feel now we are at a cusp of having two great years and two tough years and now getting back to that secular rhythm that we always used to enjoy as an industry.

Tien-Tsin Huang
Analyst, JPMorgan Securities LLC

Q

Right, good. So back to the large deals, which you've done a lot of, and you just mentioned you won another large deal – megadeal. So can you give us a little bit more on the nature of those deals? Is it more about cost cutting? Is it large transformations? Is it cloud? What more can you tell us? Any common themes?

Jatin Pravinchandra Dalal
Chief Financial Officer, Cognizant Technology Solutions Corp.

A

Sure. So it has – large deal by design has two big swim lanes, one is that of transformation and really doing something big, ambitious and sort of organization-changing for the customer. Second is really go out and see that you're spending $100, if I consolidate everything, I create a certain amount of synergy between the pockets of applications, operations and infrastructure, and give you all AI productivity on that and give you far better economic outcome than what you would receive otherwise.

Now, we have signed – we spoke about the deal that we won in quarter one, the mega deal. And that first mega deal was really swim lane one. The one that I just spoke about is swim lane two, which is really going out and saying, let me do this for you far more effectively and far more efficiently than it has been done before. So in that process, I've consolidated some spend, which was in-house, which was with other partners. And that's what we have built.

Tien-Tsin Huang
Analyst, JPMorgan Securities LLC

Q

Okay, good to know. So with you as CFO, when we think about these large deals, right, you have to manage the risk, of course, the pricing, the delivery. And is there a concern or consideration around dependency on these large deals and the ramp rates and the timing of all that? How do you manage the maturity of these large deals as they come through, recognizing that the short-term work is on pause?

Jatin Pravinchandra Dalal
Chief Financial Officer, Cognizant Technology Solutions Corp.

A

Yeah, absolutely. So I think even within large deal, you have to see what is incremental and what is more securing your spend, which is you are already doing 80%, 90% of the work, but this secures you in a very different way. So it has large component of renewal. The one that I just spoke about had a larger component of renewals. So it's more security in an otherwise uncertain environment. I have a better sense of more stronger

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backlog in the second half of the year versus [ph] one (00:11:10). Wherein the first one was all new, and therefore, it will directly add on the top of the revenue.

Now to your specific question around dependency on large deals, the way the sector works is it goes through an alternative cycles of large deals and discretionary spend at mass across the sectors, and then, again, large deals otherwise. The companies historically that do well and you can go back and check are the one that able to manage the transition well between those sectors.

So the best way to do this is to – in times like this is to keep on winning large deal and have a strong backlog. And then, when discretionary comes, it sits on the top of that backlog. So you then go out much faster and better than the companies, which are not winning large deals in the current [ph] count (00:12:04). Then they get the benefit only the discretionary spend which is coming. So you have to build that base and then put the discretionary on top. So that's how we are trying to do this. This is nothing very specific to Cognizant, but if you see the successful companies in the sector that they do – they manage this transition very well.

Tien-Tsin Huang
Analyst, JPMorgan Securities LLC

Q

Yeah. Which reminds me a little bit, Jatin, of a question of ACV. I think you did talk a little bit about ACV. I know when you think about large deals extends duration, extends TCV. But any update on ACV since I have you?

Jatin Pravinchandra Dalal
Chief Financial Officer, Cognizant Technology Solutions Corp.

A

Yeah, absolutely. So ACV is another important construct because we – it's a balance on large deal numbers look very good. But if they are not resulting in next 18 months incremental revenue, it's a challenge. So we look at both closely.

So far, we are doing well on the trailing 12-month basis on ACV growth as well. So it is not only winning large deals, but we are now at a point that after nearly 18 to 24 months of large deal, that whatever we are winning is not just creating a longer-term revenue certainty, it is also adding to the incremental revenue I can generate in the next 12 months. So that's a cycle that you – when you layer large deal over large deal, that's where your ACV starts growing.

Tien-Tsin Huang
Analyst, JPMorgan Securities LLC

Q

Okay. So one more on the larger deals and bringing in margin and AI a little bit. Just as you execute these deals and you sign them and agree to the terms, I'm assuming you're assuming some efficiency baked in from whether it be AI or productivity or changes in pyramid, what have you. How do you manage that risk of delivery – understanding, especially if AI is changing so quickly that you don't face cost overruns or challenges in execute – or delivery contract execution?

Jatin Pravinchandra Dalal
Chief Financial Officer, Cognizant Technology Solutions Corp.

A

Sure. So all of us who have been in the sector for more than two decades understand that every large deal, not just now, but maybe five years back too – came with that promise of technology and that promise of technology that you can do things more efficiently fourth year from now than what you can. And that – thankfully, that cycle always plays out. It has got a little bit more accentuated or accelerated because of AI, and therefore, the customer expectation is also greater.

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So if I could sign a deal earlier with a particular level of productivity baked in or signed for on day one, and I had to go back and work on it, that quantum has certainly risen versus where it was before. But that confidence of technology remaining ahead of the curve has played out for, I would say, last 30 years in the industry. And I feel good that we should be able to do it.

Also, we also see ourselves vis-à-vis others in the sector from whatever we can decipher. And deals – when you're doing – competing on deals, it gives you a reality check on some of that. We think we are ahead in terms of understanding what Gen AI as an opportunity can do for us and what we have to do to then percolate it down in the organization to execute on it.

So I feel good that we have – of course, but it's not just a trust. We have a monthly view of what we call as bid versus did and we are very regimental about it. And where we see risk, we really double-down. We have teams which go in when we think that something is not moving as fast as it should be.

Tien-Tsin Huang
Analyst, JPMorgan Securities LLC

Q

Okay. Good. So just staying with Gen AI, I think I've always respected Cognizant and what you – how you framed the opportunity around Gen AI around the three vectors. I can read it if you want, but I'm curious to hear your – the way you attack it and how you should encourage us to evaluate your success there.

Jatin Pravinchandra Dalal
Chief Financial Officer, Cognizant Technology Solutions Corp.

A

Absolutely. So just to recap, the vector one is really around productivity and the hyper-productivity that AI can deliver. Vector two is making organizations ready for AI, which is relooking at their data structures, relooking at their internal systems and processes to make them ready to leverage AI. And the third vector is really going and doing and applying agents where we were traditionally not done IT work, which is the vector three opportunity. And that's what is a big, big, exciting pool of work that we can do eventually.

Right now, as we speak, the one which is really at core of what we are doing is vector one, because all large deals are being constructed on a productivity promise of AI, and it is not commoditized, and therefore, it's a big differentiation for the players who are able to do it better than the others.

The second vector, which was around opportunities in cloud, opportunity in analytics and data, we saw a big upsurge between October, November, December, January, February. From March, we seen more stability on that. So we have not seen it going up as well as we did in last – those four months. But it's not falling off, either. So I think that demand is waiting on sidelines for – due to environmental reason. And it could start coming back once there is more stability.

The third, which we are really excited about, and that's where the role of system integrator will transform from building – from making sure that, for example, two databases of two different competitors is working seamlessly with our original job as a system integrator. Then, you say okay two SaaS applications should work seamlessly for organization success. That was our sort of role of SI.

Now, it will be different. It would be looking at an agentic workforce of the application one and agentic workforce of application two, and how as a system integrator you can work and create a multi-agentic system for our customer, where you work with customer to create orchestrator agents or – and that is the role of SI as it is getting transformed from where we were 5 to 10 years back to what would be an opportunity in future.

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And also, go in the areas that we have not gone before. And we have spoken about a lot of operational work that we today do not get direct access to or do not work because we are classically not – they are not classically outsourced. They're too small pieces within organization which cannot be outsourced.

But everything is up for grabs when you can say, I can deploy agent to do this, you don't have to worry about moving that work from Boston to Canada or to another place, Philippines or India. I could deploy an agent to do that for you. So that's a very different, exciting phase, which we are confident at some point the industry will start hitting and certainly Cognizant is very keen to do that.

Tien-Tsin Huang
Analyst, JPMorgan Securities LLC

Q

Yes. On the agentic side, and you mentioned the SI's role on that. I mean, I think there's a – we're hearing it a lot. I know [ph] Puneet (00:19:52) has talked about it a lot, right, services as a software as a theme. Agentic has been a theme at the conference. But just help us understand Cognizant's right to win there, especially versus software players or the pure-play AI players that might want to own that and control that as well.

Jatin Pravinchandra Dalal
Chief Financial Officer, Cognizant Technology Solutions Corp.

A

Absolutely. So let me say that there will be a role that will be played by the pure-play AI organizations. There will be a role played by agentic forces of individual SaaS players, and there will be a role of somebody looking across the spectrum of work and looking at how I can stitch an answer together. And that's where the SI will come together.

I'll give you an example that we use within Cognizant, which is when an employee leaves an organization, we do typically do a settlement for that employee. And I'm sure all of you have seen that. That's a fairly complex process, because you need to go to 15 different departments from payroll to IT to some security to, legal, et cetera, before you can do that.

And almost every department has deployed a system. And maybe in future, agentic workforce managing that process. And you need somebody to orchestrate and answer for the employee across those five different agentic workflows which are operating in five different systems. And that's where we have been able to deploy successfully. We have demonstrated case studies around it internally that we use and that's where I see our role.

We are not trying – I mean, I don't think we are going to win at the cost of a pure-play AI mega organization, but there is a role for a system integrator that we see. And the reason we can win within the space is it has to have a deep applications and operations knowledge. And as you know, Cognizant is largest among all the players in applications and operations that we compete.

Of course, there are players which are bigger than us. But if you really see for our dissection of $20 billion for the percentage of revenue that comes from applications and BPO or operations, we have the largest chunk. So that gives us comfort that we will not be left behind in this opportunity. In fact, we'll lead this opportunity.

Tien-Tsin Huang
Analyst, JPMorgan Securities LLC

Q

Okay, good. One more question then I'll open it up. So be ready to ask questions on the – just on the workforce side or the impact on the employee base from all of this. But I'll ask him on the positive front, which is, do you

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have the personnel to do this new work that's evolving so quickly? Is there a retraining that's required? Is your cost of doing business going to be higher for some period? How do you see that, Jatin?

Jatin Pravinchandra Dalal
Chief Financial Officer, Cognizant Technology Solutions Corp.

A

Yeah. I think it is part of the investment in AI that we'll have to make that we give opportunity to every associate to add to the skillset that they have. I think it's very easy to make it a zero-one outcome, saying, an AI opportunity ready resource and AI opportunity not-ready resource.

I don't think that's right. The right answer is somebody who's already very deep in domain and applications also is AI-ready is a one-plus-one to our customer. So I don't want to look down on anything that we are doing today, because that is a sort of base on which we need to build further. You can't replace that overnight and you should not, it would be counterproductive.

So we are very committed and conscious that investment needs to happen. We have spoken about that investments earlier. We had on last count more than 230,000 of our employees well-trained on some of these techniques, not only our customer-facing employees, but also our – all employees, functional employees, et cetera. How do we leverage this opportunity which is in front of us?

The good part about IT services industry is that a typical employee is also very conscious about her or his external marketability and they have their own aspirations to work with Apple, to work with Google, to work with Meta, to work with whoever else, right. And therefore, they also invest that discretionary effort after work, over weekend to be ready. So it's not an effort on where there is no openness or willingness. Actually, there's a lot of keenness to learn and you provide resources and you fly with that.

Tien-Tsin Huang
Analyst, JPMorgan Securities LLC

Q

Right, there is motivation.

Jatin Pravinchandra Dalal
Chief Financial Officer, Cognizant Technology Solutions Corp.

A

There is motivation.

Tien-Tsin Huang
Analyst, JPMorgan Securities LLC

Q

To get better. Okay. Thank you. Happy to take questions, if any. Otherwise I'll keep going. Yeah. [indiscernible] (00:25:11).

Q

I'd like to ask about discretionary spend. So like you talked about, like how there are the large deals, discretionary, the alternate, and whenever discretionary comes back, you'll be ready. What gives you confidence that whenever clients are ready to spend on small projects, discretionary projects, Cognizant will be there? Are you seeing – you talked about BFSI maybe, so maybe give us example that gives that confidence.

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Jatin Pravinchandra Dalal
Chief Financial Officer, Cognizant Technology Solutions Corp.

A

Sure. So as you can see in BFSI, which is largely discretionary business, we were minus 6% growth four quarters back. We are plus 6% growth after that. So we have done this number. And there is no inorganic setting there. The Belcan acquisition that we did had no BFSI component. So this is purely organic. So that's a data point of success.

But I'll also tell you what lies behind. Lies behind is a very, very structured demand fulfillment view that we look at every morning. And I'm not exaggerating. I canceled this morning's call, because I was speaking here. But every morning we see it. And I know which pocket I have not fulfilled something that I should have fulfilled yesterday night. And we are very, very hard. We have next 45 days requirement view and hiring view and the people coming off from projects and making available.

So this is deep science and daily rigor beyond just getting systems ready and believing you are ready. It is just checking yourself every day, can you run the 10-kilometer every morning or not, then you are ready. If you don't, then you are not ready. So that's how we see it.

Tyler J. Scott
Vice President-Investor Relations, Cognizant Technology Solutions Corp.

A

Maybe one other, [ph] Puneet, (00:27:05) that I think is an interesting data point is, as we've seen over the last couple of quarters, one of our fastest-growing service lines internally has been digital engineering, right. We had our leader Prasad speaking at our Investor Day.

[indiscernible] (00:27:17)

Tyler J. Scott
Vice President-Investor Relations, Cognizant Technology Solutions Corp.

A

That is completely discretionary work and short term in nature. It's roughly a $2 billion business for us that's been growing, I think, versus market rates, I would say, above what public competitors are doing. So that gives us a lot of confidence that we have the portfolio and the capabilities to come in and win this discretionary work.

Now, of course, the environment has dramatically changed in the last couple of months and quarters, but that is something that we think is sustainable certainly through the first half of this year and I think gives us a lot of confidence. That also happens to be one of the service lines where we are applying our platform solutions and AI-led productivity flow source as the easy example, right? Our software development lifecycle tooling for developers. We're driving productivity, we're delivering it for customers. It is manifesting itself in actually more spending with the customers and driving faster growth.

So I think it's one of our strongest examples of where we actually see that playing out in the portfolio.

Q

Thank you so much for taking our questions, gentlemen. Longer-term follow-up on [ph] Puneet's (00:28:19) question. Could you talk to us about your right to win in the third vector, agentifying the enterprise? Thank you.

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Jatin Pravinchandra Dalal
Chief Financial Officer, Cognizant Technology Solutions Corp.

A

Right to win in the third vector?

Tyler J. Scott
Vice President-Investor Relations, Cognizant Technology Solutions Corp.

A

Agentic.

Jatin Pravinchandra Dalal
Chief Financial Officer, Cognizant Technology Solutions Corp.

A

Agentic?

Q

Yeah. You all have articulated the vision, I think, better than almost anybody, particularly probably at Investor Day. So it's a new area, but why are you all the ones who will help enterprises agentify?

Jatin Pravinchandra Dalal
Chief Financial Officer, Cognizant Technology Solutions Corp.

A

No, sure. I think there is – this is an opportunity will – every segment of technology organizations will leverage. If I'm a SaaS player, I'm not going to rely on my workflow anymore. I'm just going to build a whole lot of agents around my workflow. That's going to be reality. If I'm a large company like Microsoft or Google, this is an opportunity of lifetime on agentification, and therefore, I'm going to create horizontal agents that can be leveraged for any work.

And similarly, there'll be a play for system integrator. And I think the role for system integrator or the opportunity for us is to go after the pools of work that either do not address by us as I spoke before. And we feel we are well-placed because we have a large application in BPO business, which is sort of the [ph] core, right, (00:29:38) which you can pick up this work and execute on.

If you are on infrastructure side, for example, it is relatively difficult, because you have to travel the distance of understanding the process. But if you understand process through application workflows and operations work, you're right in the middle of that agentification operation overview. Thank you.

Tien-Tsin Huang
Analyst, JPMorgan Securities LLC

Q

Any other questions? Happy to take them. Don't be shy. All right. So let's close that. We have five minutes left. I know we talked a lot about revenue. Let's quickly dig a little bit more on margin. It's just a basic one for you, Jatin, just thinking – coming in from Wipro and landing here, why is 10 bps to 30 bps the right expansion target for the company?

Jatin Pravinchandra Dalal
Chief Financial Officer, Cognizant Technology Solutions Corp.

A

It is, because we are making two promises. Number one is we want to get to that winner's circle consistently every quarter. And we are not that if you look at last few years. And one of the things we have done very well is

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we have been balanced between our ambition to expand margin and our need to invest in business to get that growth back. So it has to be a good calibration of continue to invest, stay ahead in the game.

For example, I think our Gen AI lab or Gen AI pool of talent I think is probably more in great – significantly greater investment than many others. So we need to invest. And therefore – but we don't feel good about where our margins are right now. And I think the opportunity to go up. So we will have a moderate expansion every year even as we continue to systematically work towards improving our growth trajectory and consistently be in winner's circle.

Tien-Tsin Huang
Analyst, JPMorgan Securities LLC

Q

Yeah. I know you've done the Belcan deal from an M&A standpoint. We trust Cognizant, of course, on the revenue side to do what you need to do. But do you have any constraints on doing the M&A you'd like to do, given the margin framework that you've laid out for us?

Jatin Pravinchandra Dalal
Chief Financial Officer, Cognizant Technology Solutions Corp.

A

We consider that little bit as part of the investment. Of course, a deal like Belcan has large dilutive impact. For example, we spoke about 50 basis points last year. And that adds because it was only five months last year, four-and-a-half months, and now we have eight months or seven months to think about.

So, yes, I would say, it's not a constraint, but it is something that we have to be watchful about that we don't get carried away one way or the other on our margin ambition or our M&A ambition in some form. I think M&A is going to be a mainstay for us from a part in the strategy. So it doesn't mean we'll do many large deals or Belcan-like deals, but there are clearly pockets where we are behind the curve in terms of our market presence, our presence in a particular capability or skillset. And that we'll need to continue to fulfill. So you would see us investing on that in the framework that therefore we laid out considers that also as part of the overall investment that I spoke about.

Tien-Tsin Huang
Analyst, JPMorgan Securities LLC

Q

Okay, good. So we covered a lot of – I guess, we're out of time. I know. But just to close it out for both of you, beyond revenue growth and margins, always the stuff that we stress and sweat over. What are the KPIs do you think are important for us to track Cognizant's emergence and improvement in execution against this [ph] transformation (00:33:24) staying in the winner's circle and earning a higher valuation?

Jatin Pravinchandra Dalal
Chief Financial Officer, Cognizant Technology Solutions Corp.

A

Okay. So it's a great question. Thank you for asking this. Our businesses is clearly getting two pillars, right. Customer satisfaction and employee satisfaction. If we can get these two things well, even revenue growth and margin is sort of step two of that. And I think we have done a very good job of managing both in the last two, two-and-a-half years where we are not – no longer losing customers, which was the challenge, which Ravi faced when he joined. In fact, we spoke on the earnings call, we haven't had any major ramp-downs since the beginning of the year, even in an environment like this that should – hopefully that would continue.

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And employee satisfaction is also key because every time an [indiscernible] (00:34:19) employee also leaves an impression on remaining employees, saying, maybe somewhere else is a better place to work than Cognizant. So it creates a fuel.

But also cost-wise, every time somebody goes out and I have to replace a similar capability resource, I have to add 20%, 30% of the cost in India or in US, maybe 10% to 15%. So there is a cost issue around it. So if we can manage this, and as an external observer, if you see us doing well on this too, I think a lot will automatically will follow.

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC

Perfect. No, it's important to manage both sides of the equation. So I'm glad you answered it that way, Jatin. So thank you for the time. Always great to catch up. Always.

Jatin Pravinchandra Dalal

Chief Financial Officer, Cognizant Technology Solutions Corp.

Thank you very much. Thank you listening in and thank you for the opportunity.

Tyler J. Scott

Vice President-Investor Relations, Cognizant Technology Solutions Corp.

Thank you.

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