

JOHN OWEN

Group CEO, Mastek

www.mastek.com

ABOUT MASTEK

John Owen is the CEO of Mastek. Based in London, UK, Mastek has come a long way, just like the sophisticated technology solutions that it builds. Evolving over the course of three decades from a traditional offshore, Indian IT services provider; today Mastek, is an enterprise digital transformation solutions provider delivering mission critical applications for tier one customers including H.M Government in the UK and other Fortune 2000 global companies.

Mastek operates out of 11 locations across the UK, US and India. Since John's appointment in November 2016, Mastek has enjoyed strong growth with revenues up 78%, EBITDA up 154% and employee numbers increasing by over 50% taking the total number of 'Masteekers' to over 2,000 and counting.

What were your goals on joining Mastek?

I was appointed CEO in 2016 as part of the Board's strategy to reposition Mastek from a traditional IT services company into a global leader in enterprise digital transformation. This strategy also involved me succeeding the Promotor and previous CEO, Sudhakar Ram who moved to Vice Chairman and MD, which has been great for continuity and helped fast-track my knowledge. It also included moving our global HQ from Mumbai to London to better reflect where we secure the majority of our revenues. For an Indian listed company, this was a bold move to enable Mastek to respond faster to the dynamic and fluid business requirements that drive the digital agenda.

Mastek had historically done a fantastic job engineering enterprise level, mission critical software but hadn't grown in the way you would have expected. I saw an organisation with everything it needed to grow and ride the digital wave by differentiating itself from the larger legacy IT service providers whose fundamental business models will struggle under such a paradigm shift. My job was simply to put in place the vision, strategy and execution discipline to allow Mastek to fulfil its true potential. We start from a fantastic position and having built start-ups previously, here at Mastek we have all the fundamentals in place: cash, capability, people, customers and an under-served growth market...we just needed to build the flawless execution culture which is within our control and is what we're doing.

What have been Mastek's biggest achievements historically?

Since entering the UK in 1992 I'd highlight the innovative and impactful work we've done delivering critical national infrastructure projects including building the largest data warehouse in Europe for the UK National Health Service (NHS) and helping to improve commuter journey times and reduce congestion levels through the London Congestion Charge implementation. Both these projects were delivered on time and budget and to exacting quality standards and showcase the software engineering talent inside Mastek.

How is Mastek supporting organisations as they respond to the challenges of digital transformation?

Simply put we help organisations in one of three ways:

We help get troubled projects back on track

To illustrate this I can share the example of how we helped a major UK retailer

who had been struggling to roll out a large-scale Business Intelligence project to enable their customers to do in-store price matching. The project was failing and we were invited in to recover the situation. We got it back on track, delivered best in class levels of software quality and ultimately went live one day early. This is a great example of digital transforming the operational scale, reach, accuracy and transaction time of an organisation's core business.

We modernise legacy environments

Here I'd share the example of how we've helped Together Money, a 40 year old UK specialist lender. Previous to working with us their brokers had to use obscure, complex product interfaces; we've replaced that with a single, unified, web portal which has led to a 30% cut in underwriting time and a 150% growth in their loan book. We're also pleased to report end user satisfaction is running close to 100%.

We create new digital experiences

Finally, I'd highlight the work we've been doing for the UK Home Office on their biometrics programme as an example of where we've created new digital interfaces for a customer. The solution we've built enables the Home Office to support extensive immigration checks for every visitor entering the UK ensuring quick decision-making through efficient and timely data sharing with other government departments and with partner and stakeholder systems.

What is it that makes Mastek successful?

It's people every time. As a human capital business, our success is fundamentally driven by our ability to attract, develop and retain the key engineering talent we need to service ever increasing customer demands. We select our people from the best Universities, drive rigorous assessment processes, invest in developing hard and soft skills, drive learning opportunities through project redeployment from day one; all of which means 'Masteekers' stay longer, are more experienced and ultimately deliver better business outcomes for our customers. I'm clear that we cannot and will not join a cost based 'race to the bottom'. If I think about some of our retail customers as an example of why digital is fundamentally different, they don't worry about the cost of an individual software engineer; their focus is on ensuring they have a robust web commerce platform launched in time for Black Friday and Cyber Monday when some retailers can secure up to 65% of their annual revenue is earned. Delivering two months late might have been acceptable in the old world but in the digital age it is business critical and that's where we have the edge.

In my experience, too many companies and executives waste energy focusing on what they haven't got and not enough time building on the assets they actually have. In our case, we have a fantastic track-record in delivery and this is because we respect, reward and nurture a culture of engineering excellence. Engineers are by nature curious and driven to improve systems. Our engineers are empowered and focus on the 'time to business impact' delivering the customer's outcome, whatever it takes. Crucially, the quality of our engineering talent means we're able to successfully out-deliver against traditional IT services companies where they will use cheaper, less experienced people to drive economies of scale and cost savings.

At Mastek, we now have absolute clarity and discipline on our business model, our operating model, where we invest, where we sell, which markets are relevant and which segments we should simply exit. Our bold, single minded plan is intended to position Mastek as the most respected company serving the needs of the enterprise digital transformation market and be the go-to place for software engineering talent.

How would you summarise the past 18 months?

Hard work, fun, pride. By every traditional metric, we've had an incredibly successful year however we all know one good year's performance doesn't make a sustainable company. Our financial performance is now predictable and accretive; we've delivered eight consecutive quarters of revenue and profit growth. Customer satisfaction continues to remain high at 92% and employee engagement has increased, as too has headcount which increased 30% last year taking us to over 2,000 'Masteekers' worldwide. While I'm incredibly proud of everything the team achieved last year, I'm a strong believer in healthy paranoia and the concept of 'resetting to zero' at the start of every quarter. This ensures we don't become complacent but look forward and strive to once again earn the respect of our loyal customers, be seen by 'Masteekers' as their employer of choice and by our shareholders as providing the best returns.

Personally, I've got a pretty straight forward approach to business, primarily shaped by my upbringing in a family firm and also a failed career in professional sport. A strong work ethic, ambition and confidence are key while I also believe that winning is a habit and all winning teams require pride, passion and a strong belief system to compete over the long run. Through our performances and behaviours to date, we've managed to instil some of those traits and habits into Mastek's daily life. It's incredibly rewarding and exciting for me to see every 'Masteeker' feel pride in the work they do for our customers, pride in the colleagues they work with and pride in the company they work for. These are the real assets we can build on and that's why I know we will continue to win against world-class competitors and consequently, build a great business for all our stakeholders.

Where do you see Mastek in three years' time?

Mastek now has a clarity of purpose and the right approach for the digital age. History suggests that when there is a step-change in technology the traditional incumbents struggle to adapt and are replaced by new entrants. That is the opportunity and motivation that drives us. We have repositioned the company to deliver digital outcomes around our core competencies of engineering excellence and delivery track-record. We're driven to be the most respected company for our customers, employees and shareholders and have started well on that journey. We have a scalable model and all the resources to increase our impact in the market so we're looking forward with optimism and excitement.

2017-18 PERFORMANCE HIGHLIGHTS

Revenue growth YoY: up 46%
EBITDA growth YoY: up 97%
Headcount growth YoY: up 30%
Total Return to Shareholders: up 80%

Mastek™