# COMPUTERWORLD

# Infosys to acquire startup Panaya to automate customer tasks

The company hopes to get more cost-efficient in the delivery of its services by using automation

By John Ribeiro    [FOLLOW]

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Indian outsourcer Infosys will acquire Panaya, a U.S. vendor of automation technology for testing enterprise software deployments and upgrades.

The cash deal values Panaya at an enterprise value of $200 million, and is in line with the company's strategy under new CEO Vishal Sikka to automate processes, including by using artificial intelligence, to cut down on repetitive tasks and accelerate services delivery.

"This acquisition aims to use automation to boost the revenue of the company without a corresponding increase in staff," said Sudin Apte, CEO and research director at analyst firm Offshore Insights. He pointed out that Infosys' rivals like Tata Consultancy Services already use some degree of automation developed in-house.

Sikka is aiming to turn around Infosys, which saw sluggish growth for a couple of years, both because of problems in execution and a weakened market.

The company is expected to spend a part of its more than $5 billion cash reserves in acquisitions in the area of cloud computing, artificial intelligence and big data. Sikka has also expanded the company's venture capital fund from $100 million to $500 million.

In the fourth quarter of 2014, the company's revenue was $2.2 billion, up by 5.6 percent from the same quarter a year earlier. Profit at $522 million grew by nearly 13 percent.

Panaya's cloud-based service cuts down the risk, time and cost required to deliver changes to enterprise software from the likes of SAP and Oracle, by identifying how existing environments will be impacted, telling users what they need to test, and managing the testing plans.

Using Panaya will free Infosys from "the drudgery of many repetitive tasks," Sikka said.

The transaction is expected to close before March 31, subject to customary closing conditions.

Infosys still has other issues to address such as in sales and marketing and customer-facing functions before a complete turnaround, Apte said.

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