

## Intel Capital's Venu Pemmaraju & company veteran Biplab Adhya to lead Wipro's startup investments

The Economic Times, 4<sup>th</sup> February 2015

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BENGALURU: Wipro, India's third largest software company, is doubling down on its hunt for the next disruptive startups by hiring an Intel Capital executive and promoting a company veteran from within to set up its corporate venture arm in the Silicon Valley.

Venu Pemmaraju, a senior investment manager at Intel Capital's San Francisco, Bay Area offices, and Biplab Adhya, who currently heads Wipro's Oracle software practice, are being appointed to lead the company's Corporate Venture arm backed with a \$100 million (Rs 600 crore) fund.

The duo will lead Wipro's startup investments, and report to Rishad Premji, the chief strategy officer, according to people familiar with the decision.

When contacted, a Wipro spokesperson said Wipro is in the process of setting up a corporate venture arm, and the details will be shared "at an appropriate time."

For its part, Wipro has been ahead of its larger peers such as Infosys in making startup investments, and even making profitable exits. As reported by ET earlier, Wipro has already made minority investments in two such startups, including \$5 million (RS 30 crore) in US-based Axeda, as it aims to offer machine-to-machine learning solutions for clients and an over \$30 million (Rs 180 crore) investment in Opera, a New Jersey based data analytics company.

Significantly, Wipro's corporate venture arm will have the "first right of refusal" when it comes to these startup deals. This will ensure there is no unwarranted competition with Premji Invest, the family office of Wipro's billionaire Chairman Azim Premji that has been scouting for investments in the Bay Area. Premji Invest had hired Sandesh Patnam, a San Francisco-based investor, for its technology practice.

"There's no competition between the two (units), and that's how it will always be," said a person familiar with internal discussions.

Already, the family office has participated in a \$106-million (Rs 640-crore) pre-IPO round — led by Kleiner, Perkins, Caufield and Byers (KPCB) — in DataStax, a database technology company. ET had reported on June 3 that the family office with a corpus of over Rs 10,000 crore is looking to invest in overseas opportunities as well.

It's a growing trend that India's biggest technology services companies want to be part of. Last month, Infosys' new CEO Viishal Sikka increased its startup fund from \$100 million to \$500 million. Tata Consultancy Services too has been investing in startups and hiring entrepreneurs in the Silicon Valley.

Martin Haemmig, a global expert on venture capital who advises multinational companies and startups said TCS, Infosys and Wipro have realized that linear growth models for outsourcing no longer holds for the future.

"Hence, they need to look at "exponential" growth models through innovation," said Haemmig.

James Mawson, founder of trade publication Global Corporate Venturing said the companies need to approach this carefully.

"Offering money and support to third-party entrepreneurs (as well as internal ones - intrapreneurs) in India and other innovation hotspots can help, but only if the ideas are listened to," said Mawson.

"One challenge with a not-invented-here syndrome is people running corporate venturing can understand the challenge but those at the board do not want to listen or react to it," added Mawson.

Creating products around specific services across industry verticals, need to work with external partners especially if there's hardware involved and pressure to launch new offerings faster are among drivers for the trend, according to Haemmig.

"To build a success corporate venturing unit, they better bring in at least half of the team from outside, which has been involved in this already, and blend it with some inside people, however, the manager of that unit should be a seasoned outsider," Haemmig said.