

MARKET CHALLENGERS

SLK: Leveraging its strong engineering DNA to enable technology arbitrage with extreme customer intimacy

HFS has identified widespread Tier 1 fatigue in its conversations with enterprise clients, which show a growing appetite to partner with providers beyond established market leaders. They seek partners that can be more agile, deliver personalized solutions, and, in many cases, do it all at an improved price point. To that end, HFS has launched the Challenger Series to identify, evaluate, and highlight leading Tier 2 providers in the IT services space.

Author:

Sam Duncan, Practice Leader

At a glance



2000
established



Bangalore
HQ



17%
YoY growth



3,500
employees



~40
Active client base

The latest firm to receive the coveted HFS Challenger accolade is SLK, thanks to its strong focus on client intimacy and belief that a sole dependency on labor is expensive and risky for enterprises. Instead, it favors using technology to increase enterprise efficiency. This aligns with the pivot HFS sees from labor to technology arbitrage, and HFS believes SLK is poised for notable growth in the coming years as a result.

SLK, named after its chairman Parth Amin's grandfather, S. L. Kirloskar, one of the first Indians to graduate from MIT, was founded in July 2000. It aimed to differentiate itself by being an engineering company that didn't function like a services firm. SLK has since evolved into an organization with approximately 3,500 employees and almost 40 enterprise clients. Its leaders attribute much of the firm's success to a combination of its strong engineering culture with a client-centric approach. This approach is becoming increasingly important in a world where enterprises expect more from their service providers while simultaneously slashing budgets.

SLK's engineering DNA means it leads with technology

SLK's leaders believe that AI-driven automation is the next frontier for enterprises, replacing traditional labor-driven approaches. Its strong engineering background positions the firm well for success in such a market. To do this, SLK relies on the following core offerings:

- **Digital:** SLK offers tailored digital solutions covering application and cloud transformation, enterprise resource planning (ERP) systems, application programming interface (API), integrating Internet of Things (IoT), and mainframe modernization. It focuses on human-centric design and pulling in AI-driven product engineering, process automation, and Site Reliability Engineering (SRE) expertise.
- **Data and analytics:** Thanks to its deep data capabilities, SLK supports enterprises across data science, developing a strong data foundation and supporting traditional data warehouse and business intelligence systems.
- **Digital operations:** SLK leverages AI and advanced technologies to enhance workflows, streamline processes, and achieve operational excellence. It uses tailored solutions and shared services to help enterprises reduce overheads and focus on core priorities in areas such as finance and accounting (F&A) and human resources outsourcing (HRO).
- **Intelligent infrastructure:** Leveraging AI/ML and automation to streamline operations, reduce costs, and align service-level agreements with key performance indicators (KPIs). SLK pulls on its expertise across cloud, hybrid, private, on-premises, and edge computing to enable seamless integration, optimized performance, and cost-effective management.

- **Quality engineering:** SLK has a suite of Quality Engineering solutions that utilize AI and automation to help enterprises reduce costs and increase speed-to-market while ensuring quality.
- **EverythingAI:** EverythingAI is SLK's suite of AI solutions that help enterprises deploy AI faster and with better outcomes in productivity, customer experience, and intelligent decision-making.

SLK's ability to go to market with an IP-driven approach is supported by its extensive catalog of platforms and accelerators that complement its core offerings. Among these, SLK features PeakPerform—its flagship AIOps platform, and tools such as Test Case Generation, SDLC Framework, Intelligent Data Management, and Smart Data Governance.

SLK primarily serves clients in banking, financial services, and insurance (BFSI), which account for most of its revenue. The firm also has deep expertise in manufacturing. Interestingly, SLK focuses almost entirely on the North American market, with only a small pocket of European clients.

SLK is a living example of technology arbitrage

HFS has [written extensively](#) about how traditional labor arbitrage models are becoming outdated as AI-led technology arbitrage is set to take its place. SLK lives this today with its engineering-driven technology approach. SLK expects this method, which leans heavily on its selection of platforms and accelerators, to deliver faster and better outcomes with a smaller resource pool than many of its peers.

But the benefits don't end there. For SLK, arming itself with tech-enabled solutions means reducing its reliance on large workforces, boosting profitability, and leaving more capital to invest in growing the business further. Additionally, it

means cost savings can be passed on to enterprise clients, meaning SLK is competitively priced—a critical differentiator in today's challenging economy.

SLK positions itself as a partner that solves real enterprise problems—clients are at the core of everything it does

SLK's leadership explained how, thanks to a strong client-centric culture, they become real partners for enterprises rather than being a traditional service provider. While lots of firms make this claim, SLK is doing it. While its peers might be happy with conventional engagements based on support ticket quantity, SLK adopts a problem-solving attitude, identifying and eliminating the root cause of the tickets. SLK typically uses outcome-based pricing models which make up most of its engagements.

One of the key reasons SLK is afforded this flexibility is because it remains in private ownership. While many of its peers have strict revenue targets and quarterly earnings reports to consider, SLK focuses on identifying clients who are a good fit for their business and solving problems that matter. A testament to this is that SLK's average client tenure is approximately ten years—although leadership has confirmed they have never lost a client. SLK's first client was a manufacturing firm already reporting over \$10 billion in annual revenue, and they remain a client to date.

SLK has successfully expanded a handful of engagements into joint ventures, demonstrating its ability to move beyond a provider to a partner. SLK jointly established a 5,000-person strong Global Capability Centre (GCC) with a regional US bank to tackle challenges across in-house operations, high attrition, and process inefficiencies, resulting in a 55% increase in cost savings.

SLK adopts a deliberate and strategic approach to growth focused on sustainable progress and long-term value

When discussing the future, SLK's leadership emphasized that they do not have a 'grow by any means necessary mindset,' although they keep a keen eye on *sustainable* growth. This means SLK is, for now, content with maintaining its heavy focus on BFSI and manufacturing within North America —although there is significant growth potential if SLK were to expand its geographic

scope. We should expect to see a notable investment in new customer acquisitions, particularly with regional US banks—an area where SLK is already reporting much success.

SLK is also working to enhance its IP catalog further. The firm recently announced EverythingAI, a new suite of solutions designed to help enterprises deploy AI offerings faster with better outcomes. It has more developments in progress, and leadership indicates it has already built an IP on its large language models (LLMs) and is developing some exciting new iterations of automation-led quality assurance.

HFS' take

While many IT services firms remain heavily labor-dependent, SLK's engineering DNA means it has adopted an IP-driven, automation, and AI-led model from the very beginning that sees it deliver quicker, better, and more cost-effective outcomes. As we enter the era of technology arbitrage and enterprises search for new ways to drive efficiency throughout their business, SLK is positioned to cement itself as a strong market challenger. Its continued investment in AI, particularly its recent EverythingAI announcement, proves that SLK isn't resting on its laurels and intends to continue investing in innovative IP in the coming years.

SLK's sharp focus on customer centricity satisfies a growing priority for enterprises. As SLK continues its growth journey, it will be interesting to see how the firm balances continued expansion with the client-centricity we see today. That means there's a unique opportunity for enterprises to partner with SLK today and build strong relationships with its leadership team while also benefitting from its latest and greatest innovations and new scale in the coming years.

Client case studies

Case Study 1: A US-based insurer

Delivered



Developed an ML and automation-fueled extraction solution for policy documents to tackle long-lead times onboarding new clients

Outcome



10x improvement in efficiency



More than 90% accuracy

Case Study 2: US-based retirement services firm

Delivered



Delivered a 2000-person strong workforce center as a joint venture to bring IT operations back from multiple vendors

Outcome



30% cost savings year-over-year



Profitability from the third month

Challenger factsheet



Founded

2000



Headquarters

Bengaluru, India



Number of employees

3,500



Funding source

Privately owned



Key clients

A US-based commercial P&C insurer, an American manufacturing multinational, an American bank holding company



Solution portfolio

Digital, data & analytics, automated operations, intelligent infrastructure, Quality Engineering, EverythingAI



Partnerships

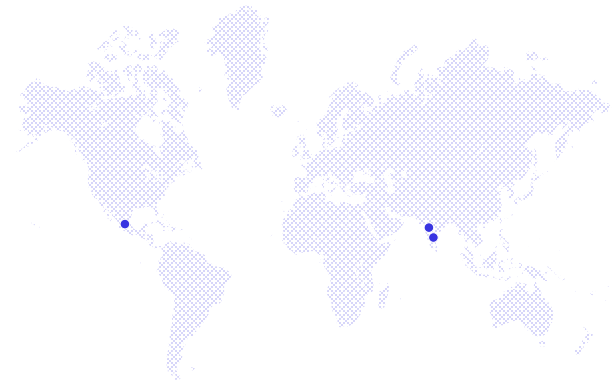
AWS, Google, Microsoft, FIS



Delivery locations

India: Bengaluru, Pune

Mexico: Guadalajara



HFS Research author



Sam Duncan is a practice leader for HFS Research, based in Cambridge, UK. He graduated from Bournemouth University with a degree in economics. His interest in macroeconomics focuses on how the evolution of technology accelerated globalization. He also studied law, accounting, and investment management.

About HFS

- **INNOVATIVE**
- **INTREPID**
- **BOLD**

HFS Research is a leading global research and advisory firm helping Fortune 500 companies through IT and business transformation with bold insights and actionable strategies.

With an unmatched platform to reach, advise, and influence Global 2000 executives, we empower organizations to make decisive technology and service choices. Backed by fearless research and an impartial outside perspective, our insights give you the edge to stay ahead.



www.hfsresearch.com



[hfsresearch](https://www.linkedin.com/company/hfsresearch)



www.horsesforsources.com



www.horsesmouthpodcast.com