

# Globant: Learning to be a Public Company

Kah Yee Chiang, Namrata Haribal, Tyler Pincus & Trang Ha Tran

*“The addressable market for Globant is limitless.”*

—Juan Umaran, Managing Director

As Martín Umaran, Globant’s Chief Operating Officer, sipped his freshly-brewed espresso, the junior developers and designers working just beyond the glass walls of his office caught his attention. His trance was broken as his younger brother, Juan, entered the room to share news from his recent trip to Globant’s new engineering office in New York. Since their IPO in mid-2014, the company continued to strengthen their portfolio with new clients from travel, finance, and entertainment. It was December 2016, and the Buenos Aires-based digital journeys firm was about to finish the year strong with a competitive 27.2% year-over-year growth. With the workforce nearing 6,000 employees and new locations popping up around the globe, Globant would need to raise the bar in the upcoming year. As they overlooked Puerto Madero from their ninth-floor office, the brothers wondered what strategy Globant could pursue to “think big” in 2017.

## History and Evolution

In the early years, Globant’s market offering was IT offshoring for companies in North America and Europe. Globant was able to address the market demands in those regions due to the cultural fit, minimal time difference, high-quality talent pool in Argentina, and convenient price arbitrage. However, Globant knew they could not compete with the price arbitrage enjoyed by large Indian firms such as Tata, Wipro, and Mindtree HCL; Globant decided to focus on their ability to create, innovate, and iterate rapidly (“Globant Annual Report,” 2015).<sup>1</sup>

Refocusing and rethinking their market offering, Globant decided to streamline and consolidate their expertise and talent into Globant Studios. After ten years of building their reputation with their client base, Globant set out to be seen as more as a consulting company rather than an execution company. The shift to consulting would mean widening the scope of Globant’s services to include guiding clients to understand the problems they need solving from the get-go, and then to solving the problem itself.<sup>2</sup> As Globant increased their market offerings, they moved up the price chain and entered a more premium competitive segment. Today, Globant is focused on creating digital journeys and delivering IT solutions. Their competition

<sup>1</sup> #b112-econStrat: Globant quickly identified their inability to compete with the price arbitrage offered by Indian firms and decided to switch strategies by rethinking their competitive advantage.

<sup>2</sup> #b112/3-whyexist: Explained how Globant’s motivations for existing evolved over time.

now comprises global consulting firms (e.g. Accenture Digital), digital agencies and design firms (e.g. SapientNitro), and IT outsourcing companies (e.g. Cognizant). Globant's core competency lies in their ability to rapidly address changes in customer needs.

### *Company Culture*

The core of the company is innovation. This is reflected by their various initiatives to facilitate discovery and novel innovations such as ideation sessions, flip-thinking events, and hackathons. Furthermore, Globant labs were set up to prototype and beta test ideas. Globant also pioneered a program called "Premier League" to leverage the expertise of more seasoned Globers by having them serve as mentors across the studios. Globant utilizes a variety of tactics to cement company values within its staff members to deliver innovative software solutions and create value for their shareholders.

The entrepreneurial, flexible, and team-oriented internal culture of Globant drives the external performance of the company. To cultivate this culture worldwide, Globant uses six core values to represent their corporate manifesto:

1. *Act ethically.*
2. *Think big.*
3. *Constantly innovate.*
4. *Aim for excellence in your work.*
5. *Be a team player.*
6. *Have fun.*

Globant employees, referred to as Globers, enjoy autonomy over their projects, strive for constant improvement, and share a common company purpose. Various initiatives are executed to facilitate Globers realizing the values: an internal recognition system (StarMeUp), open office layout to facilitate collaboration and interaction, and team-building events. Often, initiatives developed for internal purposes within Globant are so successful that they are later shipped to the market.

### *StarMeUp*

StarMeUp was an internal initiative to encourage Globers to embody the company's manifesto. Using social and gamification techniques, StarMeUp allows employees to publicly recognize fellow colleagues for exemplifying company values (**Exhibit 1**). Not only does this engage employees with the company manifesto, the application is able to harness valuable analytics about the informal social networks in the organization such as identifying high-

influencers and hidden talent.<sup>3,4</sup> StarmeUp complemented formal talent management system Glow because the two initiatives provide useful insights when assembling pods.<sup>5</sup> StarMeUp was recognized as the top Mobile App for Business by the W3 Awards as a Silver Winner in 2016 (“Globant’s StarmeUp Recognized,” 2016).

### *Pioneering Agile Pods*

Globant’s rapid expansion called for organizational change: the company sought to scale without losing its creative culture. Globant was keen to avoid the fate of companies that began with flat structures but migrated towards more traditional, hierarchical structures as they grew. In light of this, Globant conceived the agile pods methodology: an organization structure consisting of several cross-functional, multidisciplinary teams that bring together a variety of skills. In particular, the pod structure would scale easily while ensuring an equitable distribution of Globant’s core capabilities across the organization. Pods are self-organized autonomous teams from all parts of the organization (**Exhibit 2**).<sup>6</sup> The pod methodology is designed for scalability: the number of pods working for each client increases rather than the size of the pod itself. A member from the original pod will be placed in the new pod to ensure the new pod is equipped with the insights and experience of working with the client.<sup>7</sup>

Companies acquired by Globant also eventually adopt the agile pod methodology. While transitions take anywhere from a week to months, Globant—through its acquisitions—has developed insight into enabling smooth adoption.

### *Putting the Customer First*

Today, Globant’s strength is providing services that evolve from the customer’s point of view. Globant’s solution-development process is akin to the design thinking methodology in that the company engages with clients, discovers needs, prototypes solutions, and reiterates to create the finished product.<sup>8</sup> Such a human-centered approach requires a flexible organizational

<sup>3</sup> **#b113-IT**: Globant was able to use IT to gather analytics to facilitate the Agile Pod organization structure.

<sup>4</sup> **#networks**: StarmeUp is able to identify centralized nodes and visualize the edges within the social system of the organization. Utilizing such insights would allow Globant to make strategic decisions about the composition of pods, provide excellent service to their customers, and make profit.

<sup>5</sup> **#b113-advantage**: StarmeUp, Glow, and the pod methodology combined were good initiatives that were valuable for the company’s internal processes which contributed to their competitive advantage of innovation.

<sup>6</sup> **#b113-value**: Globant knew that by adopting a flexible organization structure, they would be able to better address customer need and thus create more value for the customer and themselves.

<sup>7</sup> **#b113-growth**: The Agile Pod methodology was pioneers to facilitate the rapid expansion of the company and be able to accommodate the need for increased personnel working for a specific client.

<sup>8</sup> **#b112-customercentricity**: By virtue of designing Globant’s organization structure around being able to better fulfill customer need, Globant exhibited putting their customers in the center.

structure. Agile pods, then, is appropriate to Globant. Since pods are small and autonomous, the decision-making process is rapid. Pods bring together a balanced ratio of engineering and design talent, which catalyzes the process of prototyping and iterating.

The growth of the company had also made communication management especially challenging. “The same message that the CEO delivers here in Buenos Aires is received differently at Globant Pune, Globant London, and Globant Medellin,” Juan Umaran remarks. At the same time, Globant strived for its employees to be aligned with the company’s growth strategy:

*“Everyone in the company should be able to sell Globant. Everyone should be able to explain what Globant does from a business point of view.” —Juan Umaran*

To standardize delivery of messaging across different offices and levels, Globant married employee performance and company strategy by developing a comprehensive bonus structure to reward employees for bringing businesses into the organization. Along with offering annual performance bonuses to the top five Globers, certain Globers were also eligible for an internal incentive program that used revenue-related key performance indicators to reward bonus payments. These bonuses are awarded at company-wide quarterly talks wherein the CEO delivered updates on strategies and future ambitions.

The company also developed Glow, its own internal talent management system, to staff pods. Glow profiles include skills, past projects, and expertise of Globers. Given that projects are team-based and human intensive, Globant recognizes that at times, friction within or among pods is inevitable. To combat this risk, the company installed a champion system within the HR department. If Globers run into problems, they can approach champions—seasoned employees equipped to supply necessary support to fellow workers to overcome challenges.

### *Planning for 2017*

Globant aimed for the stars and stayed true to thinking big by setting a goal in 2010 to reach \$500 million in revenues by 2015. Juan Umaran reflected on their 2015 revenues of \$253.8 million (**Exhibit 3**) as still impressive. The failure of reaching the goal was not indicative of the failure of the company because the motivation behind the \$500 million goal served primarily to motivate employees, not a concrete goal that represented the forecast of their growth. Since going public in 2015, the company realized it needed to communicate realistic projections for the upcoming year to their shareholders. Moving forward, Globant was contemplating between three strategies to achieve their goal of maintaining around a 20% growth rate: enter new markets, making acquisitions in its winning markets, or grow the accounts of their existing clients (“Globant Reports 2015,” 2016).

## Expanding to New Markets

At the end of the year, Globant was still operating in 11 markets across North America, Europe, Latin America, and India. (2016 investor presentation) Meanwhile, competitors had been expanding operations outside of established markets and boasted diverse sources of revenue in 2016 as a result (**Exhibit 4**). Cognizant sourced 7.2% of their total revenue from European countries other than the United Kingdom and 5.9% from their new markets (Cognizant, 2016). Accenture's growth markets were led by Japan, China, India, South Africa and Mexico (Accenture, 2016). One option for Globant's new strategy was to focus on expanding to new markets to keep pace with the competition.

In Globant's most recent Annual Report (2015), the company identified global management difficulty as one of their most significant future risks:

*"We may be unable to effectively manage our rapid growth, which could place significant strain on our management personnel, systems, and resources."*

Maintaining a steady rhythm for growth would remain a major concern in 2017. The number of Globers at the company had been quickly multiplying (**Exhibit 5**), creating new management difficulties ("Globant Sustainability Report," 2014). The firm's strength for organizing teams would be challenged in new ways as they moved out of the comfort of their current markets. Globant had long cited time zone and cultural similarities as key advantages, and a move into unfamiliar markets could threaten their standing ("Globant Investor Report," 2016).<sup>9</sup>

Globant's most recent emerging market expansion—into India—had been successful to date. They acquired Clarice Technologies, a Pune-based company specializing in IoT, UX and mobile, in May 2015 for \$20.2 million as a gateway to Asian markets. By the end of 2015, India had become a substantial source of revenue for Globant (**Exhibit 6**), with about \$1.6 million of overall net income attributable to business from Clarice ("Globant Annual Report," 2015).

Previously, Globant avoided competing in India and other Asian markets because of the local dominance of IT consulting firms like Tata. With proof-of-concept from Clarice's success and the development of premium services not offered by local firms, Globant now had reason to compete in Asia. Pursuing more business in India and surrounding growth markets in 2017 could

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<sup>9</sup> **#b112-marketExpansion**: The management team at Globant analyzed the tradeoffs between expanding in new markets and focusing on existing markets.

put Globant on a fast track to becoming the global company Juan Umaran hoped they would soon become.

## Acquiring Companies in Existing Markets

Another option was to pursue more acquisitions in existing markets. Globant found that strong acquisitions offered two distinct advantages: bringing services geographically closer to the customer and providing a source of seasoned talent.<sup>10</sup>

Globant was no stranger to strategic acquisitions (**Exhibit 7**). In May 2016, Globant acquired We Are Experience (WAE) to expand operations in London. WAE, also founded in 2003, boasted an especially strong portfolio in Western Europe, including HSBC Bank, Zurich Insurance Group Ltd., and Transport for London. This venture followed closely behind Accenture Digital's acquisition of Formicary, a London-based IT consultancy with a lucrative portfolio of investment banks and hedge funds ("Acquisitions," 2017). Martín Umaran nodded to this timeliness with his announcement that "WAE's recognized experts will allow [Globant] to continue building a global team with the best talent in the world, regardless their geographic location" ("Globant Acquires WAE," 2016).

Accenture continued with their aggressive acquisition strategy through 2016, bolstering their established strength in North American markets and even more so in Western Europe. They acquired MOBGEN (The Netherlands), Tecnológica (Spain), dgroup (Germany), New Energy Group (Italy), DayNine (United States), Allen International (United Kingdom), Nashco (Canada) and Karmarama (United Kingdom) in the second half of the year ("Acquisitions," 2016). By the end of the year, Accenture had exhausted an impressive \$930 million on acquisitions across all arms of their company. Digital, cloud and security services accounted for 40% of Accenture's total revenue in 2016, up from 30% in 2015 ("Accenture," 2016).

For 2017, Globant was considering expanding in existing North American markets, which represented about 81% of revenues in 2016 ("Globant Investor Report," 2016). Clients in the United States accounted for the majority of this revenue. Their most recent acquisition was Seattle-based digital services company L4 in November 2016, but the results of the investment remained unknown after just one month. Martín had his eye on Ratio, a leading digital services company with clients like Alaska Airlines, Microsoft, and Yahoo!, as Globant's first move in the new year (Globant, 2017).

The management team was divided. While such a move could secure Globant's growth in the U.S. market for 2017, some felt that the company could reap more profit from the U.S.

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<sup>10</sup> **#b112-whyGlobal:** Globant had two main motivations for expanding in existing international markets.

market by not directly competing with the acquisition prowess displayed by competitors like Accenture Digital. Past experience with Western Europe did little to quell their reservations. Others noted that a series of strong acquisitions in their most profitable market would prove worthwhile and aligned with their vision of working closely with competitors across all geographies. They also argued that comparing WAE to Accenture Digital's army of acquisitions inaccurately represented the significance of acquisitions for Globant.

## Cultivating Existing Relationships

Along with the temptation to expand their portfolio in 2017, management also considered growing incoming revenue from Globant's existing clients. Globant had developed a talent for quickly reacting to changing market conditions by operating in Argentina, one of the most uncertain economic environments in the industry. In 2016, Globant was recognized by IDC MarketScape as a Worldwide Leader of Digital Strategy Consulting Services for their strategies and capabilities (**Exhibit 8**).

In September 2016, Globant began their *50 Squared* initiative, with the goal to grow 50 high-potential accounts by \$50 million in revenue each. The resource-intensive strategy called for senior managers from sales, technology and operations to lead the teams involved. Moving into 2017, the idea was for this strategy to become central to the organization's growth strategy.

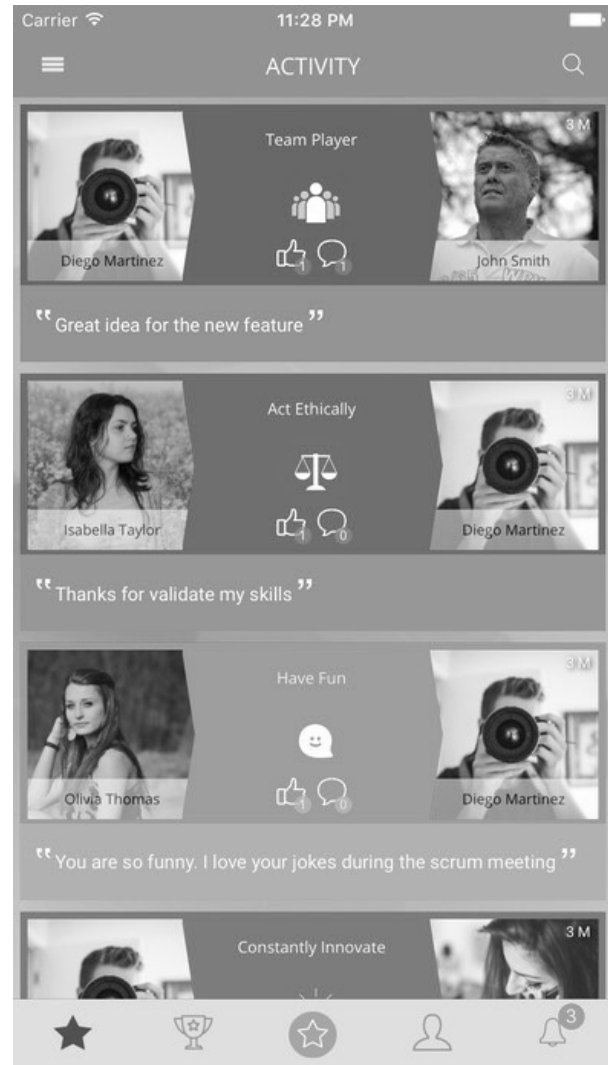
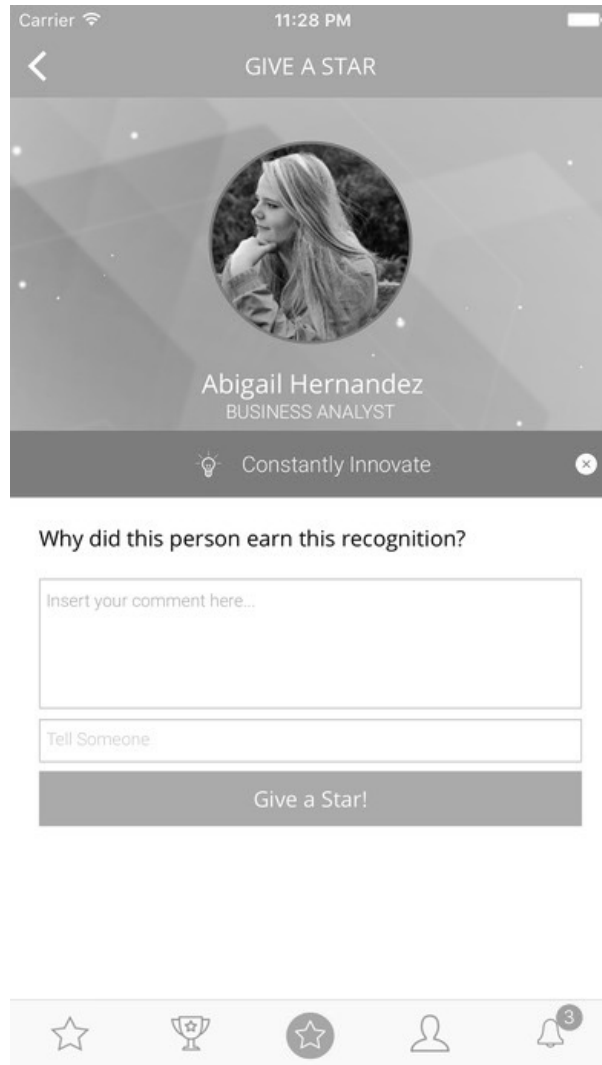
Between 2011 and 2014, Globant invested heavily in emerging technologies. During this time, they launched two new studios, and began conducting research for another two. The addition of these four studios—After Going Live, Digital Content, Product Innovation, and Wearables & Internet of Things (IoT)—would institutionalize Globant's dedication to keeping up with the rapidly changing needs of their clients. As a result of these new capabilities, Globant's overall customer satisfaction score rose by 4.1 points during these years. At the same time, some older studios like Customer Experience, Quality Engineering, Enterprise Consumerization and Big Data & HPS suffered drops in customer satisfaction scores through these years—with some in a worse position in 2014 than they were in 2011 (**Exhibit 9**). Some worried that this program would replicate this costly neglect for less emphasized initiatives.

The minds behind 50 Squared assured that this program was distinct from previous initiatives. While it would involve a reallocation of resources, it was purely strategic; in Q2 of 2016, 46% of Globant's revenue was sourced from their top ten clients (**Exhibit 10**). As such, continuing to prioritize these accounts in 2017 was far from a reckless repeat of past resource allocation errors. For supporters of the initiative, fourth quarter results from 2016—50 Squared's trial period—served as proof of concept (**Exhibit 11**). Due to the nature of the industry, most clients hire Globant only for discrete projects with no long-term commitment. Globant's 2016 work on Project Ara for Google followed this type of structure (Seeking Alpha, 2016). With 50 Squared, Globant could ensure high retention rates for their most important relationships.

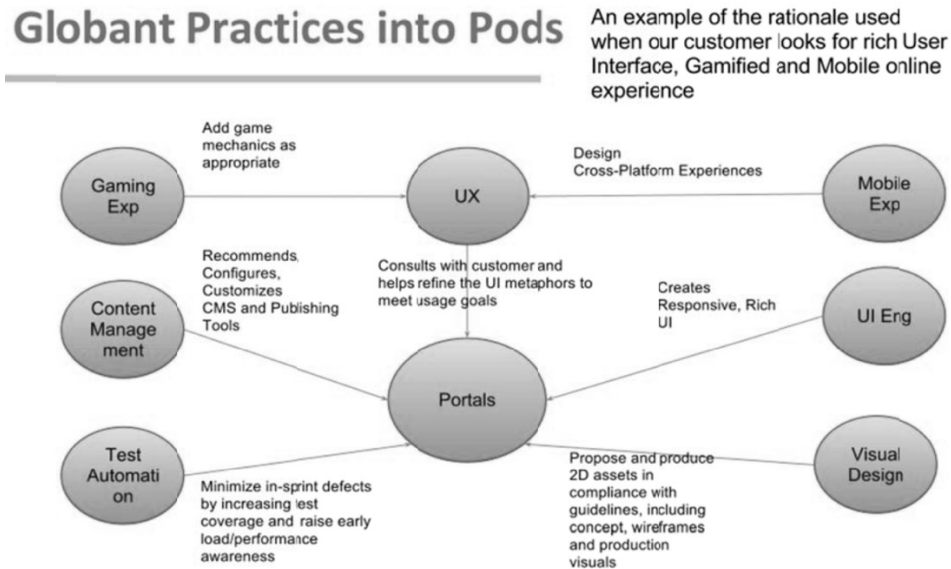
## Choosing a Strategy

With their shareholders and past experience in mind, the brothers joined the rest of the management team to finalize a decision for which strategy to pursue in the new year. Expanding into virtually uncharted territory could be risky for Globant, but also deliver lucrative returns from untapped markets. Acquisitions seemed to be an effective way to bring services closer to customers, but larger firms would likely always dominate in that arena. Where Globant lacked the capital other firms had at their disposal, providing comprehensive journeys for already existing customers remained a core strength. Seeking a focused strategy for 2017, management was unwilling to pursue all three options. As the fierce sun glared through their office window, the brothers knew tough decisions were ahead.



**Exhibit 1** *StarMeUp* Mobile Application Interface

Source: *iTunes Store*.

**Exhibit 2** Globant's Pod Structure

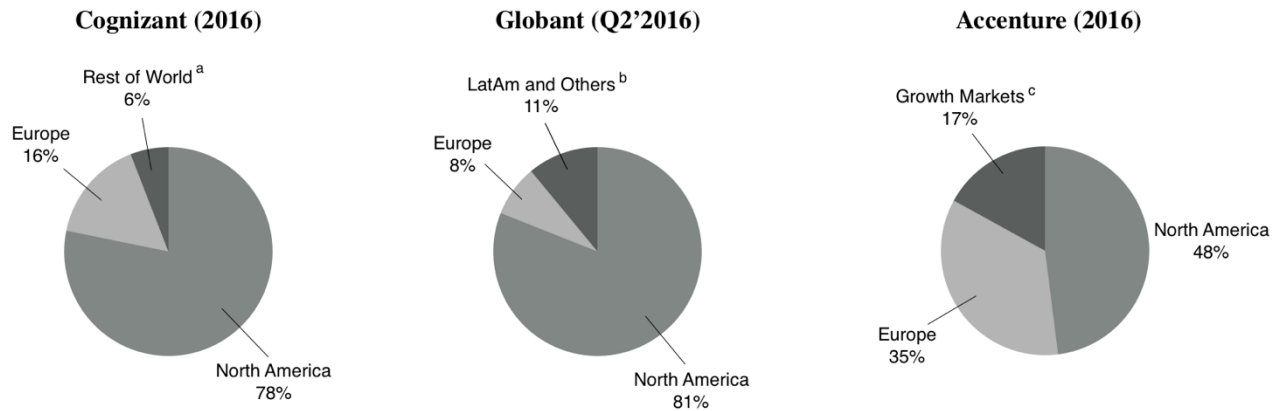
Source: *Agility, Maturity, and Innovation, a Whitepaper by Globant.*

**Exhibit 3** Selected Profit-and-Loss for Globant (in USD)

	(in thousands, except percentages and EPS)					
	2016	2015	2014	2013	2012	2011
Net Revenues	\$322,856	\$253,796	\$199,605	\$158,324	\$128,849	\$90,073
Gross Profit	131,461	93,504	77,912	58,721	48,237	36,469
SG&A	(81,889)	(71,594)	(57,288)	(54,841)	(47,680)	(26,538)
Impairment of tax credits	—	1,820	1,505	(9,579)	—	—
Profit (Loss) from Operations	49,572	23,730	22,129	(5,699)	557	9,931
Net Income	35,862	31,620	25,263	13,769	(1,301)	7,088
Net Margin	11.1%	12.5%	12.7%	8.7%	(1.0%)	7.9%
Earnings Per Share						
Basic	1.04	0.93	0.81	0.50	(0.06)	0.25
Diluted	1.01	0.90	0.79	0.48	(0.06)	0.25

Sources: *Globant 2015 Annual Report, Globant 2016 Form 20-F.*

### Exhibit 4 Revenue Breakdowns by Geography



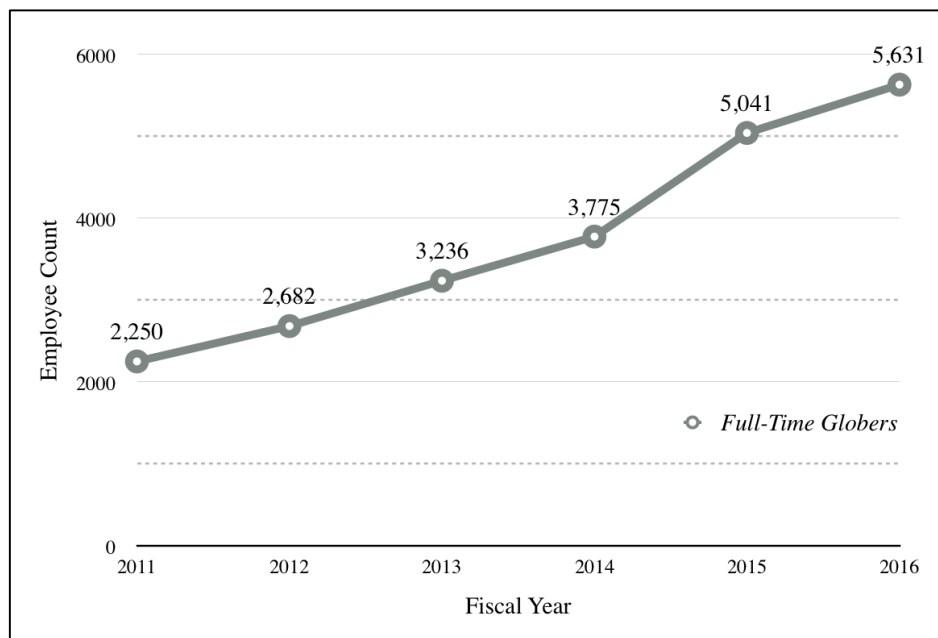
<sup>a</sup> Represents operations in Latin America, Asia Pacific, the Middle East, and South Africa.

<sup>b</sup> Represents operations in Latin America and India.

<sup>c</sup> Represents operations in Asia Pacific, Latin America, Africa, the Middle East, Russia and Turkey.

Sources: *Cognizant 2016 Fourth Quarter Report, Globant 2016 Investor Report, Accenture 2016 Annual Report*

### Exhibit 5 Globant Workforce Evolution



Sources: *Globant 2015 Annual Report, 2014 Sustainability Report, 2016 Full Year Results.*

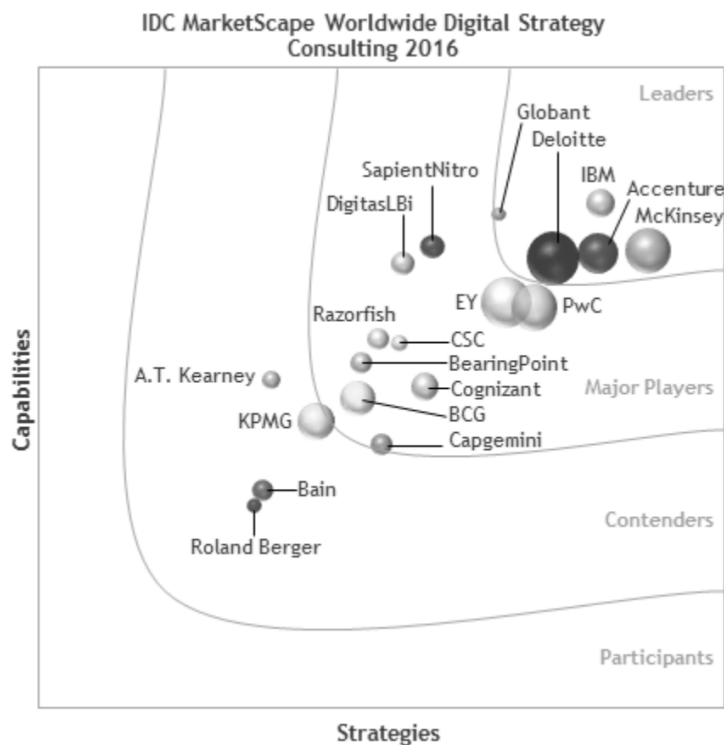
**Exhibit 6** Globant Revenue by Geography

	<b>For the year ended December 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b><u>North America</u></b>			
United States of America	208,203	160,376	126,038
Canada	4,209	2,721	2,805
<i>Subtotal North America</i>	<i>212,412</i>	<i>163,097</i>	<i>128,843</i>
<b><u>Europe</u></b>			
Spain	3,671	1,795	2,389
Ireland	1,787	1,649	1,431
United Kingdom	6,468	5,546	8,122
Luxembourg	205	1,130	543
Others	1,377	1,584	379
<i>Subtotal Europe</i>	<i>13,508</i>	<i>11,704</i>	<i>12,864</i>
<b><u>Asia</u></b>			
India	1,392	-	-
Japan	42	-	-
<i>Subtotal Asia</i>	<i>1,434</i>	<i>-</i>	<i>-</i>
<b><u>Latin America and others</u></b>			
Argentina	7,574	4,248	5,484
Brazil	2,084	3,078	3,848
Colombia	1,436	3,069	3,913
Chile	12,424	8,974	1,756
Uruguay	1,184	3,626	1,571
Others	1,740	1,809	45
<i>Subtotal Latin America and others</i>	<i>26,442</i>	<i>24,804</i>	<i>16,617</i>
<b>TOTAL</b>	<b>253,796</b>	<b>199,605</b>	<b>158,324</b>

Source: Globant 2015 Annual Report.

**Exhibit 7** Globant Acquisition History

Company	HQ Location	Date Acquired
L4 Digital	United States	November 2016
We Are Experience Ltd. (WAE)	United Kingdom	May 2016
Clarice Technologies	India	May 2015
Huddle Group	Argentina	October 2013
TerraForum Consultores	Brazil	October 2012
Nextive	United States	August 2011
Openware	Argentina	December 2008
Accendra	Argentina	June 2008

**Exhibit 8** IDC MarketScape Worldwide Digital Strategy Consulting 2016 Vendor Assessment<sup>a</sup>

<sup>a</sup> Bubble size indicates 2016 revenue.

Source: IDC, 2016.

**Exhibit 9** Customer Satisfaction Scores, 2011-2014 (100-point scale)

	2011	2012	2013	2014
Consumer Experience	89.5	83.4	86.4	83.8
Gaming	85.6	85.0	83.2	89.9
Big Data & HPS	74.6	84.1	86.8	80.6
Quality Engineering	89.5	89.0	83.4	87.8
Enterprise Consumerization	86.3	86.2	85.2	84.6
UX & Social	73.6	94.1	82.1	82.5
Mobile	ND	80.4	81.7	84.1
Cloud Computing & Infrastructure	78.1	82.2	87.2	87.3
After Going Live	ND	ND	ND	95.0
Digital Content	ND	ND	ND	89.4
Product Innovation	ND	ND	ND	ND
Wearables & Internet of Things	ND	ND	ND	ND
<b>Overall</b>	82.3	85.2	84.6	86.4

Source: *Globant 2014 Sustainability Report*.

**Exhibit 10** Client Revenue Contribution (%)

Clients	2012	2013	2014	2015	Q2'2016
Top 1 Client	9	6	9	12	10
Top 5 Clients	28	25	28	33	34
Top 10 Clients	45	40	44	47	46

Source: *Globant 2016 Investor Report*.

**Exhibit 11** 2016 Quarterly Results (in USD)

	(in millions, except percentages and EPS)			
	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>
Net Revenues	\$87.3	\$82.4	\$79.9	\$73.3
Net Income	11.2	10.5	10.2	8.4
(Diluted) Earnings per Share	0.31	0.30	0.29	0.24

Source: *Globant 2016 Quarterly Financial Results*.

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# Globant: Learning to be a Public Company

## *Teaching Note*

### Learning Objectives

This is a case study of *Globant*, a digital solutions consulting firm based in Buenos Aires, Argentina. After learning about Globant's company culture and innovative organizational structure, students will be faced with three growth strategies that Globant is considering for 2017. Students will gain an understanding of the synergies which exist between organizational structures and growth strategies as they weigh the decision at hand.

### Teaching Strategy

Our suggested approach is to allow the students to be the decision makers. Encourage a debate which outlines the merits and downfalls of pursuing each of the three growth strategies. Next, prompt students to think about how Globant's core competencies influence the effectiveness of each strategy.

### Analysis of Data

#### *Expanding to New Markets*

This strategy is one Globant ends up pursuing the least in 2017. While it aligns with Globant's "think big" culture, **Exhibit 4** and **Exhibit 6** underscore the importance of the American market for Globant. A clever student may speculate that large sums of money come from the United States because there are far more clients in the United States looking for digital services than in emerging markets. The motivation behind acquiring L4 was to get closer to U.S. customers to provide better service for them, which is especially important considering their relative value to Globant. With the added insight from **Exhibit 10** that nearly half of revenue is collected from just ten customers, it is important to get closer to these companies and ensure customer centricity. Moving away from existing markets would do just the opposite.

Further, **Exhibit 5** shows how quickly Globant is growing. While agile pods are customer-centric and allow for mobility and adaptability, they likely become more difficult to manage as they multiply. As such, spreading these pods throughout even more geographies and disrupting the cultural synergies Globant thrives off of would not be beneficial for the company. An argument that this strategy would allow Globant to diversify the risk of macroeconomic

uncertainty or a worsening political climate in developed countries would likely not hold up against Globant's history of successfully navigating uncertain conditions in Argentina.

### *Acquiring Companies in Existing Markets*

Not long after the time frame of this case, Globant (2017) announced that they will pursue acquiring Ratio. While there was no aggressive acquisition strategy in existing markets, Globant did somewhat pursue this strategy; a student could reasonably make an argument to support it. **Exhibit 8** (or previous knowledge of these companies) reveals that Accenture is a much larger firm than Globant. As mentioned in the case, comparing Globant to Accenture is not the most accurate comparison due to the size and capital differences between the companies.

Once again, the importance of maintaining high-stakes customer relationships in established markets could support an argument for this strategy because this would bring business geographically closer to current clients. Using information from the case, students could also argue that (1) Globant has acquired very few companies and may not have expertise in this area or that (2) agile pods are well-suited for acquisitions, as proven by Globant's successful past ventures. While pursuing this strategy is not necessarily incorrect, Globant's emphasis in 2017 was placed more heavily on cultivating current relationships.

### *Cultivating Existing Relationships*

The *50 Squared* initiative proved to be the strongest strategy Globant came up with for 2017. Instead of figuring out how to increase the number of clients they had, Globant thought about how to increase the volume of sales for their existing clients, which is the best application of the data from **Exhibit 10**. Students can successfully argue that **Exhibit 9** attributes a problem to 50 Squared which is not directly related. **Exhibit 11** can be used to justify 50 Squared's launch *or* the acquisition of L4—it cannot be determined which contributed more to these results.

Globant's organization structure lends the best support for this initiative. With insights from Glow and StarMeUp, Globant is able to increase the efficiency of pods working on an account very easily. The growth of the number of pods working on a certain project would be further enhanced by the cross-pollination between teams to ensure the new pods have the necessary insight, expertise, and background of working with the specific client. As an identified leader in this field (**Exhibit 8**), choosing this option would allow Globant to provide emerging technologies for its most important clients.