

"In two years AV will be sold free"

Govind Ramamurthy, CEO & MD, Microworld, spoke to **Dhaval Valia** about the company's strategies and competitors, and the future of the AV market

How have the last 12 months been for eScan?

eScan has done well, gaining marketshare in countries such as Germany and Brazil where we have a strong presence.

In India the first half of the year was good. The second half was muted due to component shortage and the price hike as a consequence of the forex fluctuations; these impacted overall demand.

Despite this, our revenue in the SOHO and small business segments grew by 50 percent. In the mid-market and large enterprise, our strategy of working with select regional SIs is paying off and we are regularly striking 1,000+ node deals. As a result, our revenues grew 124 percent in this segment in FY2011-12.

eScan has been in the market for close to a decade yet it does not enjoy the same marketshare and brand-pull as Quick Heal. What is reason?

Without doubt Quick Heal has been an Indian success story that every AV company would like to emulate. However, anyone who knows about AV technology will tell you that eScan is better, both technology-wise and feature-wise, and perhaps Quick Heal would also admit it.

Where they have done well is creating robust channels. They started engaging with channels before us and are enjoying the fruits of it. This is not to say that we do not have a good channel. I have always believed that channels are the best way to reach customers, in a market like India.

We could however have done better with our channel expansion and engagement early on. With several new product and channel initiatives, we believe we will have a very strong story to tell in the next 12-24 months.

What are the new product initiatives planned?

We just launched eScan for Apple Mac. Next is the mobile security offering which is ready for launch and will be commercialized by May 2012. We showcased it at CeBit and got good reviews. We are currently finalizing the pricing, packaging and market strategy for it.

With the trend of enterprise mobility growing, and concepts like BYOD gradually gaining ground, a mobile security product has become necessary. We will have a version for the Android marketplace for consumers.

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We are working toward a single all-point management console which can be used to manage Windows, Linux, Mac and Android end-points from a single dashboard.

The most ambitious project for us is eScan for MSP. This is a product we have been working on for the past six months, and we plan to roll it out by early next quarter.

Finally, we are working on eScan 2012 which has been designed to work with the new Metro interface of Microsoft Windows 8 which is due for launch soon.

Companies such as Symantec and Trend Micro already have managed service offerings, so what's unique about eScan for MSP?

There are two key distinctions between the offerings from these vendors and ours. One is that the offerings from those companies are hosted in their data centers, and the channel partners only resell them. In our case partners can create their own white-label managed client security services.

Secondly, the managed client security offerings from MNCs are targeted at large enterprises while we are focusing on SMBs, largely organizations having 50-150 nodes to manage. It is in this segment that customers rely heavily on their partners for all their IT needs because they don't have the financial resources to employ their own staff for IT management.

A large number of channels also cater to organizations of these sizes, and hence our offering aims to target the broadest customer and partner segments.

What's your channel GTM for eScan for MSP?

Within 12 months of the launch we expect to sell a million licenses of our MSP offering. In the first phase we plan to enable 250 of our leading SMB partners by training them on the new platform and helping them set up their own managed security practice under a structured MSP program which will be launched along with the product. We will be working closely with them on the technology, business and customer acquisition aspects.

In the second phase we will expand this program to 250 solution providers catering to the target segment. This is my pet project, and eScan will be investing heavily in channel enablement.

You have often said that the consumer AV market will go free very soon. What will then happen to your consumer business?

I firmly believe that over the next couple of years AV

CHANNEL CHIEF

products will be sold free to consumers. In China this trend has been growing in the last couple of years, and several local AV players have started offering AV products free to customers while others are bundling it free with their business client security for the personal use of their customers' employees.

In India too this trend is not too far. Look at the ASPs of AV products in India—they have been shrinking at an alarming rate.

And don't forget the threat from Microsoft, which plans to bundle AV with Microsoft Windows 8. We believe that while the value realization will decrease in the consumer space, the demand for services like parental controls, hardware change alerts and OS patch management will increase.

This is also the rationale behind launching the MSP version because partners will soon have opportunities to provide the above-mentioned managed services to consumers.

What are the priorities for eScan in terms of channel-led GTM?

The channel program around MSP and enabling our existing SMB partners to become service providers is the biggest item on my agenda. The second priority is to strengthen our presence in the south where we are weak. We are scouting for distributors in the different states of southern India. In other regions, while we have a stable set of distribution partners, we would want to drive coverage and a wider channel connect.

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On the enterprise side the focus is on signing large projects with our regional SI partners. We are already in the process of signing a couple of large 10,000 node deals which we believe will give us a strong referral in the marketplace.

We are setting up a lead generation team whose primary responsibility will be to generate leads for our SI partners. Our internal sales team will work closely with the SIs to do POCs of our product and provide them with all the possible commercial support to win an account. In addition, we are setting up a separate team for the year-round technical training of partners' engineers.

We will soon be launching an enhanced partner portal which will be an extension of the eScan Partner Program. Through this eScan partners can avail of a host of marketing, sales and support benefits. Partners can request NFR/demo licenses, ask for special quotes for educational and government institutions, apply for deal and customer protection, and even request for customized products. The partner portal will have a renewal engine, thus allowing partners to earn recurring revenue from customers for license upgrades, product upgrades and renewals. ■