VARIndia_Maharashtra: A large Market for IT Vendors_June issue

http://www.varindia.com/2009/July/Destination_Maharashtra.asp

Maharashtra: A large Market for IT Vendors

Its large multilingual workforce, solid infrastructure and competitive cost structure fortified by unequivocal government support, have made Maharashtra a compelling destination for IT industry.

Situated in the northern centre of peninsular India, Maharashtra came into being thanks to the linguistic reorganization of the States of India, which came into effect on 1st May, 1960.

The state of Maharashtra has been assessed by experts as having the strongest position because of its young population, multilingual workforce, large talent pool and strong government support. There is no denying the fact that the State has made vast progress in the ICT market. In short, Maharashtra has made its mark on the map of favoured global services locations.

Maharashtra is increasingly attracting international technology businesses that are looking to build on the State's competitive positioning to service the wider regional market.

"Maharashtra's IT industry is one of the fastest growing in the country," says Anil Gupta, Head – National Sales, Micro World.

Think of Maharatshtra and the chances are that images of colonial buildings, historical monuments to the glitter of the cities will spring to mind.
But when it comes to the IT industry, the channel has a different vision – one of untapped potential, regional importance and a chance to make a mark on a fertile landscape.

Out of all the Indian states, the IT market in Maharatshtra has always been the one that has held the most potential and interest in terms of channel development. In recent years, the State Government introduced many positive catalysts for growth and change.

"Maharashtra is, indeed, an ICT-industry friendly region, with policies and procedures in place that incentivize the growth of the market," says Ankesh Kumar, Senior Manger – Channel Products, Emerson Network power.
Mumbai, the financial capital of India, has emerged as a significant gateway to the country's IT services and BPO industries. 25 per cent of the top 500 software companies in India are based in Maharashtra. 1,69,000 trained technical personnel are added to the manpower pool each year.

The State is home to some of the well-known global ICT companies, who have their head offices and software development centres across its territories. Maharashtra continues to draw investments in the IT services and ITeS-BPO segments, a result of robust telecom and physical infrastructure and a business-friendly regulatory framework.

Maharashtra's obvious edge within the IT-ITeS sector is based on a range of factors and advantages that the State has worked to build over the years. The State's abundant pool of qualified IT-ITeS manpower, for instance, is a result of its focus on education at the school and college levels.

The State's engineering and IT institutions produce over 1,70,000 trained IT personnel every year. Remote towns like Gondia have an excellent IT training institution and recently the private-sector companies are now providing low-cost IT education at the school levels.

The Maharashtra State Knowledge Corporation has instituted the IT certification programme targeted at over one million students and 50,000 trained teachers in government schools.

Maharashtra is a world-class as far as telecom infrastructure is concerned. The entire State is wired with the state-of-the-art broadband networks. Mumbai and Pune have prominent Internet and Telecom Service Providers operating in the State. The State's optical fibre and submarine cable connectivity add to its competitive edge.

Government policy too is aligned with the needs of the IT-ITeS sectors. The State announced the new IT and ITeS Policy – 2003, which lists the various incentives available to IT and ITeS units. From electricity and stamp duty exemptions to IT units, refund of octroi, capital subsidy to special provisions pertaining to working hours of women workers and granting of additional FSI for units in Public IT Parks. IT units are permitted throughout the State to have captive power generation facilities. The State Government has taken various proactive measures to ensure that it provides an investment-friendly regulatory climate.
Besides Mumbai and Pune, Nagpur, Aurangabad and Nashik are being developed as IT-ITeS hubs.

Along with Mumbai, the cities like Nagpur, Pune, Nashik, Nanded and Aurangabad have been selected for Mega City Projects by the Central Government. These cities will get a new face with improved infrastructure and more facilities for entrepreneurs and investors. So, there are lots of opportunities and scope for IT industries to expand their horizon beyond Mumbai and Pune.

Neoteric Infomatique, Mumbai-based distributors, explains that the dynamics of its environment are changing. The market is shifting now and mobility is coming," said Kaushal Khandar, Vice-President – Corporate, Neoteric Infomatique.
The consensus when talking to the channel in the state of Maharashtra is that the IT market in the State, though experiencing healthy growth, is yet to establish the services culture. "The state of Maharsthra has a lot of potential, but I think that there are a lot of deterrents as well," says an executive at a distribution company.

Deepak Gupta, ZOtac's country manager for India, feels the channel in Maharasthra has been exhibiting glimpses of future potential for value add and sophisticated revenue offerings.

It, therefore, does not come as a surprise that with the ICT market in Maharashtra harvesting such strong long-term potential, vendors are not only calling for the channel to look to the development of a greater level of services, but are advising the partners to specialize.

Parag Somaiya
Proprietor, Shreeji Telecom

Based out of Mumbai, Shreeji Telecom is focussed on helping organizations to maximize the value of their existing systems and resources. It provides organizational solutions to update their communication switchers to the latest technology that will help in minimizing the cost. The "Go Digital" Scheme is a special scheme offered by Shreeji Telecom to its valued Analog customers.

Shreeji is a Rs.4-crore company today and deals in products from Matrix and Panasonic. Speaking high about matrix, Parag Somaiya says that Matrix has played a major role in the growth of their telecom business. In the year 2008-09, Matrix helped them to achieve a substantial growth – almost 100%.

According to him, the major buyers of IT products in Maharashtra are corporates, SMEs and all verticals. Security systems and solution-oriented products offer them a good margin and going forward Shreeji would like to invest in audio video products

Mehul Surkatha
Director, Space Office Systems (I) Private Ltd.
Established in the year 1994, Space Office Systems is flourishing on the strength of its telecom, security, AV and O.A. domains. It has an efficient team of five directors and a staff of 120 dedicated members. The Company today has four branches at Ahmedabad, Bangalore, Pune and Goa and is one of the leading partners in India.

With a turnover of Rs.25 crore, Space Office Systems is the partner of some of the world-class brands like Matrix, Sony, Sharp, LG, Panasonic, Canon, HID and Brother. The Company enjoys a healthy margin coming from selling with call centre solutions to various call centres and BPOs.

According to Mehul, Mumbai is considered to be the Commercial Capital of India. The major buyers of IT products in Maharashtra are government sector, BFSI, IT and ITeS, call centres and BPOs. He believes that there is a huge opportunity for all IT vendors in the state as it is very large. He is very happy to sell Martix products and also wants to grow with Matrix.

Anuj Gupta
Director, MIEL
Mumbai-based MIEL is a holistic Security and Storage solution provider. With a turnover of Rs.50 crore, the Company deals in brands of companies like NetApp, Symantec, McAfee, Tandberg, Websense, Fortninet, EMC, Trend Micro, VMware, Juniper, Checkpoint, IBM, etc.

Anuj believes there is a huge opportunity in Maharashtra, basically in the ITeS/ IT, BFSI and pharma sector. There is no doubt that storage and security are the hot products in the market. There is a great opportunity in these areas as there is a lot of investment still happening and with the revival of the economy the projects which were all put in cold storage will now start happening again. MIEL is the Authorized Service Provider (ASP) and Authorized Professional Services Partner (APSP) for NetApp. The Company is very happy about the alliance as they get very prompt response from sales as well as service department of NetApp. There is a very big team of NetApp-certified professionals with MIEL to deliver solutions effectively and efficiently. Talking high about NetApp products, Anuj says the products are very robust and are backed up by 24x7 support centre. Everyone at NetApp is committed to total customer satisfaction.

Going forward, Anuj wants to consolidate the present brands and look at newer areas around cloud computing and information life cycle management.

John Fernandes
Proprietor, Genesis Telecom & Security Solutions
Genesis Telecom & Security Solutions is based out of Mumbai and provides superior telecommunication and security products. The company is pretty active in Mumbai and nearby areas. It was founded with the objective of bringing to its customers one of the best products and services.

The strong business skillfulness, combined with a deeper understanding of products, is what keeps Genesis Telecom & Security Solutions a leader in all its service offerings. Despite our exponential growth in terms of clientele, people, and revenue, its unique work culture allows the company to retain the advantages of a small company. The Company is very nimble and responsive to change.

With a turnover of about Rs.1.8 crore, the company deals in products from Matrix, Commax Video Security System, Honeywell Security System, Samsung and Sony CCTV (Camera System).

John believes security products have given the company good fortune. Particularly, Matrix offers a wide range of products that help them to cater to different segments of the market. The products being sleek and user friendly invite a lot of referrals from their existing customers. Thus, Matrix has helped the company to achieve the growth that it has seen today.

Subhash Bajaj, Proprietor
Telstra Technologies Private Ltd.
Based out of Mumbai, Telstra Technologies Private Ltd. was set up in the year 2000, as an authorized distributor for Matrix Telecom products. In the year 2003, the Company diversified into security products such as CCTV & Video Surveillance products, Access control equipment. In 2008, Telstra was also appointed as authorized distributors for Cooper Fire Alarm systems for the western region. Apart from the distribution of these products, the Company has also undertaken turnkey projects in telecom and security segments. The Company supplies IT products to a diverse customer base, including Axis Bank, BPCL, Bharti Airtel, Bharat Electricals Ltd., Future Group, Godrej & Boyce, HP, Johnson Controls, Mahindra & Mahindra Financial Services, Peninsula Land Holdings, Vishal Retail, etc.

With a turnover of about Rs.8.5 crore, Telstra is pretty comfortable with bands like HID, Syris, Smart-I, Cooper, Matrix and Polycom.

Subhash believes there is a huge market for IT products in the segments like retail, banking & financial, insurance and infrastructure. Obviously, there is a good margin in security products, but Matrix Telecom has helped them to grow by offering a wide range of products and brand equity. From the vendors' perspective, if one has an extensive network, good after-sales support and a wide range of products, it can enjoy a good market share and those vendors who position as one-stop shop are the future leaders.

Girish Malgaonkar, Proprietor
Classic Business Corporation Private Ltd.
Established in 1980, Classic Business Corporation was founded with the aim of providing communication products. Initially, it started with providing service for the Intercom and EPBAX Systems. Getting a good service reference from the market, the Company started the EPBAX Sales Division which was solely handled by Girish Malgaonkar, an engineering graduate in Electronics. Started as a dealer for Matrix EPBAX System in 1994, the Company today stands out as No. 1 dealer in India.

With more than Rs.1.2-crore turnover, Classic today deals in brands like Matrix, Telesoft Intercom System, Essl Time Attendance System, CCTV – DVR and Panasonic.

He believes that there is no dearth of opportunity in the state of Maharashtra for IT products as the corporates, SMEs and vertical market are very active. Although brands like Telesoft Intercom and CCTV-DVR System are the brands that provide them a good profit margin, yet Matrix is the one which offers a wide range of products with a good margin. He also believes vendors with extensive network, good after-sales support and a wide product portfolio are the ones that enjoy a good market share. Going forward, Classic wishes to enrich his portfolio by adding VoIP-based products, Network Cameras and Wireless Camera Monitoring System.