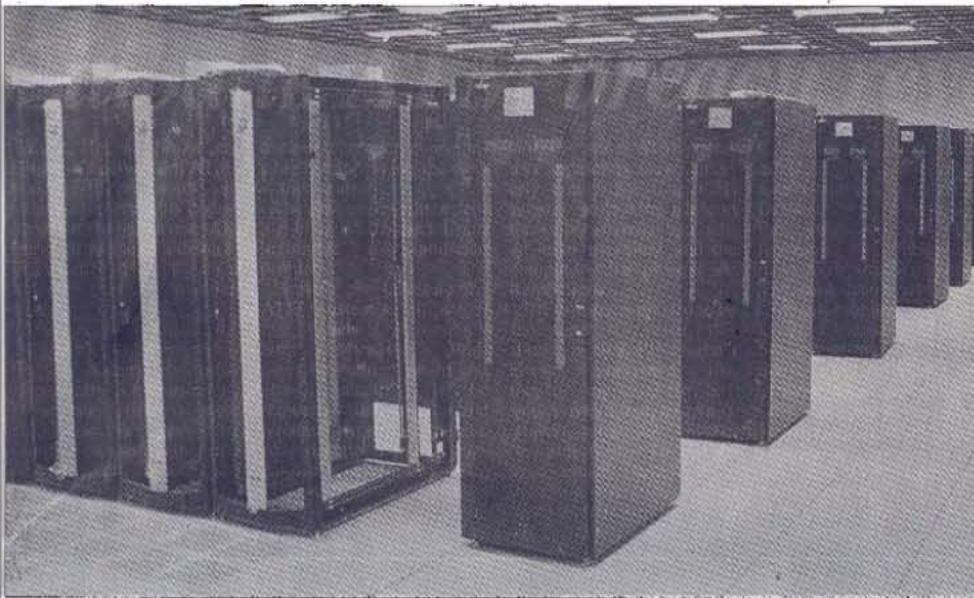


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Small firms fly high on 'recession-proof' services



Data centres such as the one above and other IT facilities are managed remotely by outsourcing partners.

BY GOUTAM DAS

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July 2: If you are wondering whether there is anything like a "recession-proof" IT service, the industry would say there are two - business consulting and infrastructure management. While demand for consulting, particularly around restructuring, goes up during tough times, enterprises would not be able to manage their day to day chores without the

technology infrastructure being handled well.

No doubt then, many Indian service providers, which include tier two firms, are focused on growing the IT infrastructure management service (IMS) line. Smaller firms, research reports suggest, are gaining traction in desktop as well as data center management services.

"Servers have to be managed day in and day out, whether onsite or from a remote location. Networks

cannot go unmanaged. Macro-economic factors do not play a major part here. However, if you have to roll out a large-scale revamped SAP project, that might get into a bigger jam in the current context," says KS Ganesan, CTO of Bengaluru-based Microland. The firm has more than 2000 people, all of them doing IMS.

Srinath Murthy, head of infrastructure services at ITC Infotech, agrees. "Macro-economic influ-

ences on enterprises today demands that IT delivers more at a lower cost. A recession means that operations target to cut costs of delivery, not eliminate the operation itself," he says.

Remote IMS is one of the means to achieve cost arbitrage today. "With a remote IMS model, most IT shops take on larger operational responsibilities and get challenged to innovate in times of a recession. A slowdown is never a threat to the quan-

tum of business, provided we are able to dampen the financial impact of our customers," Murthy opines.

Industry lobby Nasscom says India is positioned to capture \$13-15 billion of the global opportunity in remote IMS by 2013, leading to creation of some 3.25 lakh to 3.75 lakh jobs. Currently, the service accounts for about \$4 billion in revenues to India-based providers.

Most of the smaller firms, which include CSS, ITC Infotech, Microland and NIIT among others, have been growing faster than the overall IT industry. They have enough juice to entice global enterprises into choosing them.

"Smaller Indian firms can provide great deals that lead to cost savings as well as high levels of delivery flexibility. Some service providers do have specialised industry domain knowledge. However, there may be limitations like instability, narrower breadth of services, besides the need for far robust processes," Satish Syal, executive VP of managed services with NIIT Technologies, says.

Tier two firms have been investing in value-added offerings for differentiation, establishing frameworks, and capabilities. "We believe that we have made good progress in the IMS space and our differentiators include our strengths in virtualisation, storage and

cloud computing. Our customers include some of the most prominent global enterprises in technology, media and BFSI domain," says Ahmar Abbas, senior vice-president of global infrastructure management practice at Cybernet-Slash-Support.

Customers, therefore, have grown comfortable outsourcing high-end work to smaller players. Microland's Ganesan says that from low level, small pieces of services work within a tower (if it is network, it is network monitoring), today the firm manages one of most complex networks — 10,000 routers and switches — and is responsible end to end.

"Moving into full-scale outsourcing and doing it completely remotely has been a big revolution," he says.

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