



Seeking new technology paradigm

The current global economic conditions and local market scenarios in India have forced all service providers to revisit business plans, strategies, and go-to-market approach, adapt to upcoming needs and review customer demands **JAGANNATH KV**

Now is the time to step back and study your company's performance. When we introspect we must answer critical questions such as, why customers have stopped or delayed purchases. Today customers are very smart in taking decisions. They are under pressure to reduce both - capital and operational cost. The focus is entirely on optimising the existing IT infrastructure and improving efficiencies.

With our interactions with customers and partners, we have understood that during the peak of growing economic conditions, various organisations built excess capacities which they are not trying to make optimum use of. Customers today have several new options to buy IT infrastructure and innovative channels to invest in capital purchases

Hence the existing partners are caught unaware by several new business practices in their traditional accounts.

Also, to meet the demands of both domestic and international clients, we have to embrace and adopt international standards. One big part of this is complying to rules and regulations. Compliance is the need of an hour. It is no longer a mere tool to ensure competitive advantage but the necessity to survive in today's cut-throat competitive environment.

There is a critical need to find immediate solutions to these problems by talking to

important customers with whom we have cultivated strong established relationships. While talking and generating feedback, one should keep an open mind. In a downturn, thinking of your partner's growth will take the partnership a long way. Success is guaranteed if you assure them that as partner organisations, we will change with times and meet their expectations.

Today companies are serious about understanding the implications of their carbon footprint. They are now proactive about best practices to reduce energy costs. This has now become the most important factor in operational expenditure, CSR (Corporate Social Responsibility) activities and in IT budgets. Today many CEOs of SMBs and even large MNC's are pushing their CIOs or IT managers to reduce both capital and operational expenses. It is imperative in such scenarios to treat the customer's budgets and preferences like we do our budgets. We need to project our internal spending patterns to provide solutions, consultation and services to our clients.

We need to quickly digest the fact that with changing times, we have to constantly invest in people and technology according to the new emerging trends. It is a harsh fact but pure play box pushers are going to be battered in the coming 24 months, irrespective of their size and market share. We need to ask ourselves, how we can further

engage our customers in services and create an ongoing business.

IT services is the way to moving forward. The percentage of revenue from IT services is growing month-over-month. We will see the magic increase both in PBIT and PAT within our organisations.

Technologies to look out for:

The new services and technologies which are noteworthy to be evaluated are

- Green IT
- Managed Services Provisioning (MSP)

MSP services reduce the operational expenditure. The results can be seen within the first month itself. These services include hardware / software hosting solutions or hardware infrastructure as a service which may include servers, storage and active networking components (HaaS) on both dedicated and shared model and software hosting solutions as (SaaS) model for both applications and licensing of the basic platform software. It is extremely critical for the channel community to keep an eye on the OEM vendors, who are actively promoting and helping our customers to experience the service and the commercials. The most important fact and our primary concern is that OEM vendors can eliminate the partner model or middle men - both distributors and value adding partners, as the payments are made online.

And who stands to lose in the new value chain? It is none other than us!



Thought Leadership

The solutions to this problem are:

- Quicker adaptation of newer technologies
- Attitude change in our thought process

My first recommendation to our partner community is to not sell a box without a service with immediate effect in any form. Also, improve our annuity revenues and have higher degree of recall value to prevent yourselves from losing an important account to bigger sharks in the industry.

Embrace new technologies

To practice the same, I am trying to understand "cloud computing" - its benefits and how it changes our work and the way of conducting business. In future many of the SMBs and medium-large organisations may buy only the basic compute devices like laptops, desktops and handheld devices and may not invest in big IT infrastructure and software and applications which will be available through "revenue-expenditure model" or "pay-per-use model".

Industry analysts suggest that this would be a very successful model by 2013. The good news is that for long term players there is little time to understand and adapt to newer way of conducting business. The bad news is we may have fewer choices in future to say we are serious players in IT infrastructure space.

I have met and communicated to several partners who strongly look at "government business" as a serious vertical. They too will be impacted with the newer technological changes as the government is investing thousands of crore of rupees in building huge server and storage farms in their own datacentre. These are likely to be

fully operational by 2011. I foresee that all the e-governance applications are going to completely integrate various departments, using the "cloud computing model". This will be the mantra going forward.

IT infrastructure consolidation business will be in demand for the next few years as customers are coping up with the economic slowdown and all CIOs and IT managers are under pressure to evaluate their organisations and optimise investments made in the past few years. There is going to be a market explosion in designing and building newer "Datacentres" within organisations which are Green in nature and deliver the highest degree of savings in energy utilisation and reduce operational expenses. Many organisations are also opting for hosting solutions for their primary datacentres or for their disaster recovery centres to reduce their both capital and operational expenses.

I was shocked by the statistics that in many advanced countries two percent of the country's energy is consumed by datacentres that serve customers or users outside their home country. It would not be too far before governments take a stand and come out with datacentres operating standards which are well defined and implemented strictly to protect their country's energy requirements and the environment. It is very important to us as citizens to protect our own energy starved country. Our own energy sustenance would be only till 2025. This is assuming that all our new plans of nuclear energy are 100 percent operational by that time.

All the systems integrators have their own set of customers, whom they are servicing through IT facility management

by providing people onsite. I suggest everyone to understand Remote Infrastructure Management Services (RIMS) better and benefit from partner organizations. This will help get higher financial rewards. This way you would be doing a great value addition to customers as you are increasing their uptime in their business. This will result in higher profits to customer organisations as well. It is a fact that the partner organisations too would be benefited with introduction of this service, directly impacting the PAT in coming P&L.

We need to continuously follow new successful best practices that should be adapted in these current market scenarios. I feel it is the best opportunity for every partner organisation to understand the SWOT (Strengths, Weaknesses, Opportunities and Threats) and move ahead by adapting newer technologies for success. I will share few success mantras. These have worked for our organization: Co-operate, collaborate, and trust other partner organizations that have the required skill-sets to serve customers better without any investments in capital, revenue and human resources.

It requires courage to go in front of old and new customers without proposing new sale. Understand and provide solutions as to how existing investments can deliver more value to his position and the organisation. I can say this by personal experience that since we have started to borrow strengths from other partners with high degree of trust, we have seen some quick success week after week. I will be more than happy to share with you personally, if you are ready for collaborative approach. ■

The author is MD and CEO, Choice Solutions.

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