

Choice Solutions



Jagannath Kallakurchi,
MD & CEO

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Founded: 1991

Revenue 2008-09: Rs 85 Crore

Key Executives: Jagannath Kallakurchi, MD&CEO; Srinivas Kallakurchi, President, North American Operations;

Ravi Devulapalli, Director HR, and Project Management

No. of Employees: 430

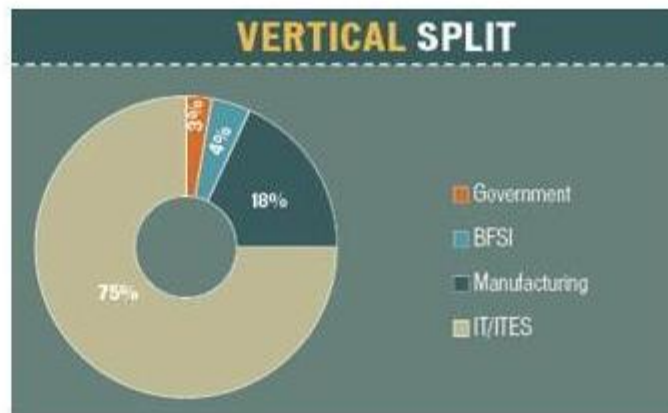
Key Principals: APC, EMC, HP, Microsoft, VMware, Citrix, Symantec, NetApp

Key Technologies: Data Center Services & Solutions, Networking, Security, Virtualization, Consolidation, Green IT, Software and Hardware

Choice Solutions hit the road like many other players in the industry — by selling IT peripherals. And like many other players who got into systems integration and solution selling, this company too expanded its business by adding more products to its range. For most of the systems integrators, this could be the end of their growth plans. But what makes Choice Solutions different from others is its persistent effort to broaden its horizon and get bigger. As a result, Choice Solutions did not stop finding new avenues after being a systems integrator. The company is now taking up consulting services in a big way. Besides, it has also partnered with several like-minded systems integrators in the channel community to jointly work and deploy various solutions that would cater to the customer requirements.

“We want to be a Rs 400 crore company in the next three years, and we also want 50 percent of our revenues coming through services,” says Jagannath Kallakurchi, MD & CEO of Choice Solutions.

And he has the entire plan mapped out. “We could not achieve this goal if we continue to remain an SI who works in isolation. So, we have partnered with some of the big SIs in the country and work hand in hand with them in coming out with solutions for their customers. This way, we can expand our reach and get into new markets,” says Kallakurchi. The company has plans to replicate the same model in other countries like Malaysia, Singapore, the United Kingdom, etc.



Apart from adopting this partnership model for his systems integration business, Kallakurchi believes that he would be restricting his company from growing further if he sticks only to systems integration. "In the systems integration space, margins are very less and customers are demanding lots of freebies. So we may not be able to satisfy them all the time. Instead, in a services model, we will be able to add maximum value and at the same time get maximum margins for ourselves," he adds.

Kallakurchi believes it's important for channel partners to work in the mode of a modern corporate rather than sticking to the old ways of family-run businesses. Kallakurchi has clearly set the roles of the people and divided responsibilities across various layers of the management. He also thinks he needs to integrate all the systems he has in place to grow further. "I would say we have not achieved even 10 percent of our goals and there is a long way to go," he says.

The company is also planning to have presence across 25 towns in the country in the next three years. The company has plans to come up with SaaS and HaaS (Hardware as a service) offerings to its customers by 2013. It will be investing on building the infrastructure for the same in the coming days. The long-term vision of Kallakurchi for Choice is to be the No.1 player in the consulting space.

INTERVIEW

Jagannath Kallakurchi, MD & CEO, Choice Solutions believes it's important for smaller SIs to work hand-in-hand to compete with the largest SIs in the country.

What do you think is Choice's differentiator?

KALLAKURCHI: We have always been open to new avenues and have been ahead in adopting various technologies in the industry. We were one of the few people to build a NOC in the country and we also embraced various opportunities available in other countries. We have come out with a service product called VCOG which stands for Virtualization, Consolidation and Optimization leading to a Green data center. VCO increases resource utilization and reduces footprint of computing resources in the data center. These are only a few of our ongoing innovations.

You have a lot of expansion plans. What is the biggest challenge?

KALLAKURCHI: Working capital is the biggest challenge. Apart from that we need to have the right set of people in place for that. However Choice has been attracting some of the best talents in the industry so far. We have been hiring people even at a time other companies were laying off talent. And the most attractive thing we can promise them is that they would get to work for the best products in the market. Providing a stimulating environment would be the best way to retain employees. Besides, we are a very transparent organization. Every employee gets to know how much money the company makes. So, employees know that if they work together and make the company profitable, they will get rewarded accordingly. We also have recognition programs happening annually. We also come up with sales journal every month to ensure that deserved people are recognized. We also have an HR journal that talks about various initiatives.

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What is the idea behind initiating partnerships within the channel industry itself?

KALLAKURCHI: We believe it's important for smaller SIs to work hand-in-hand to compete with the largest SIs in the country. It's also very important for our own growth. That's the reason we have decided to work together with other companies in the industry. We help smaller SIs to take up challenging projects and at the same time we end up expanding our reach through that partnership. So, it's a win-win situation for both. There are a lot of resellers who are currently facing a bottle-neck while getting into systems integration because they only know box-pushing. So, it's important to develop an ecosystem where companies try to work out on a mutually beneficial business model.