

“Indian customers need a clear picture of remote infrastructure”

ANNAND SARNAAIK, Chairman and Managing Director, Glodyne Technoserve talked to Rajendra Chaudhary on the latest trends and business opportunities that exists in remote infrastructure management and technology outsourcing

Given the economic turmoil and the resultant CIO propensity towards RIM and IMS, how have you fared in the last 12-18 months in terms of business?

Glodyne enjoyed a strong track record with a decade long experience of providing Infrastructure Management Service (IMS) to various domestic and global customers through a hybrid onsite-remote delivery model. We grew our revenues by 42% YoY to Rs 501 crores in 2009. In the current financial year, we have given a guidance of Rs 703 crores. As a company, we have been consistently delivering a strong performance even before the global economic turmoil began. We have seen acceptance of our technology IMS services delivery using the remote model for both our Indian as well as the US clients.

We are primarily in the business of IMS focused on optimizing the operational expenses of our clients—a core expense that they can't do away with unlike other CAPEX intensive initiatives, which could go slow down in case of a slowdown.

Complex IT systems demand more resources to maintain existing service levels and therefore become less responsive to the business. Global studies have found that a substantial portion of IT budgets now go towards maintaining current IT systems. Given the focus on cost optimization in the global slowdown, companies don't find it prudent to continually hire, retain and train in-house maintenance staff to meet the needs of technology maintenance.

Domestically we have a strong niche in technology managed services offerings for the social initiatives of the Government such as National Rural Employment Guarantee Scheme (NREGS), Education and PDS. We are currently implementing an Rs 284 crores NREGS project in Bihar, which is a five year BOOT project based on a PPP model. Additionally we have begun the implementation of NREGS in Maharashtra, starting with the Gadchiroli District. We therefore see a huge opportunity in the government space going forward.

Additionally we are confident about the education and the government/PSU sector on the domestic front. We have built a credible market presence with our brand here. We shall continue to strengthen our position in the domestic market.

How do Indian customers view and deploy RIM or IMS vis-à-vis your global customers?



ANNAND SARNAAIK
CMD, Glodyne Technoserve
Indian companies are gearing up to the benefits of the onsite-remote delivery model but a major chunk of them wants to understand the business model before they outsource

The acceptance of RIM as a delivery model is higher in the US, as compared to the Indian market. However, Indian companies are gearing up to the benefits of the onsite-remote delivery model and will soon follow suit as their business grows and expands. Indian customers still want to understand the remote model, and there is a shift in mindset. We are constantly educating and making our clients experience the benefits of our Technology Managed Services, and the response after the experience is encouraging.

How significant is pricing pressure in this business? What business traction have you noticed in the SMB segment for IMS services?

We have not faced any pricing pressures of late since we deal with large corporate and Government/PSU clients and they have understood the value of managing their infrastructure by a third party. The traction is positive in the segment in which we are operating. A lot of mid sized organizations who have done IT consolidation and ERP deployments are moving into the bigger league and lot of opportunities are seen in the space.

— Rajendra Chaudhary