

Indian Enterprises : Growth, Opportunities & Challenges

The Indian Enterprises have undergone phenomenal change over the last decade as work culture has changed completely in the era of digitalisation. Adoption of latest technology keeps them growing in this highly competitive market. Digital Terminal speaks to industry vendors on enterprise market and its opportunities.



Growth & Opportunities

The Indian Enterprise market is expected to grow by 20% in FY12. The public sector, with more than 130 Government of India Undertakings today, occupies a key position in the economy of the country. It has already grown into an industrial giant with more than Rs. 20,000 crores of investment. About one-fourth of it in the railways, but steel, heavy electricals and oil industries also have a sizeable portion of the total investment.

SMEs play a vital role in the Indian economy; its contribution towards GDP was 17% in 2009 which is expected to reach 22%

by 2012. There are 26.1 million MSME Units in India and 12 million persons are expected to join the workforce in the next 3 years.

“Worldwide IT spending growth will be a solid 5.7% as hardware growth moderates and software and services spending rebounds. Emerging markets, led by China, will continue to drive global IT spending growth, with 2.6 times the growth rate of developed markets, contributing over 50% of all new growth. From Dell’s India perspective, we estimate the market to grow leaps and bounds given that India is in the phase of Infrastructure build



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and refresh.", says Vikas Bhonsle, General Manager — Large Enterprise, Dell India on growth of enterprises in India. Whereas, Country National Sales Manager of Array Network, Shibu Paul feels that the growth rate of Indian enterprises is moderate till now.

According to the voice & data analysis, the total revenue made by voice solutions products in FY 2010-2011 is Rs 2375 Crore with 17.57% growth as compared to last FY. It clearly shows that there is a good escalating opportunity for Enterprise Equipment Manufacturers in coming years says Sajeev Nair, Head Production Management, Matrix Comsec Pvt. Ltd., on telecom equipment sales.

Globalization has brought in new opportunities to developing countries. Greater access to developed country markets and technology transfer hold out promise improved productivity and higher living standard. "The opportunity for the enterprise vertical in India is really growing and with new technologies and solutions getting launched, it is helping to cater to these customer requirements in this vertical. We at QNAP feel that we have launched our solutions in the Indian market at the right time and with the kind of penetration we are doing, we see a lot of growth for us in this area" insists Rohit Bapat, Sales & Technical Head, QNAP India.

The major area for growth includes computing platforms, storage systems, software applications, transaction processing, enterprise resource planning, customer relationship management, data warehousing, e-commerce, content management, business intelligence, email and webhosting.

In the face of intense competition, Indian enterprises need to adopt a culture of excellence to survive and flourish in the global market, Prime Minister Manmohan Singh said while addressing an international conference on productivity and quality. "Understand and analyze your existing customers, keeping the profitable ones by enhancing support and offering relevant solutions" says Mr Paul on solutions to help enterprises attain maximum growth.

"Dell's Data Centre Solutions (DCS) helps enterprises achieve success when cloud computing is the core of a business. Dell understands the unique challenges - from compute and power density to global scaling and environmental impact. Dell has the knowledge and expertise to tune your company's 'factory' for maximum performance and efficiency" explains Vikas Bhonsle, on the solutions provided by Dell. "Dell's Data Centre Solutions (DCS) helps enterprises achieve success when cloud computing is the core of a business. Dell understands the unique challenges - from compute and power density to global scaling and environmental impact. Dell has the knowledge and expertise to tune your company's 'factory' for maximum performance and efficiency."

Technologies Adoption & Challenges

To attain all-round growth the enterprises today are adopting several new technologies, like Server & Storage Virtualization, Private/Hybrid clouds, Security & Surveillance, Data Warehousing, etc. Most of the technology spends is driven by need for greater productivity and efficiency. The 2011 CIO Agenda survey



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conducted by Gartner Executive Programs (EXP) showed that chief information officers in India ranked cloud computing as their top technology priority for 2011. Cloud computing is the key that opens the doors for enterprises to a more efficient and cost effective IT infrastructure. While only about 16% businesses have company-wide implementations of cloud computing to date, many enterprises believe the cloud will be their most significant IT operating method by 2014 (about 60%). Despite how attractive cloud computing can sound as an outsourcing option, there's widespread concern that it presents a security and legal minefield for businesses and government. Cloud service providers often cultivate an aura of secrecy about data centers and operations, claiming this stance improve their security even if it leaves everyone else in the dark.

Security is the foremost concern of enterprises today. "Building safe and threat proof environments to protect people, physical property as well as IP property is a major concern" says Subhash Gupta, Country Manager-India & SAARC, Allied Telesis.

A recent survey, IT Risk/Reward Barometer, done by Information Systems Audit & Control Association (ISACA) has uncovered several surprising results regarding how risks from mobile devices are perceived on the usage of cloud computing in India. According to the results, more than 90 percent Indian IT leaders believe that mobile devices, whether personal or provided by employer- pose a risk to enterprises. But, more than 50 percent of respondents recognizing the risk have put policies and systems in place to mitigate the risk arising out of mobile devices use. The security measures include controlling application installations, remote-wipe capabilities, encryptions and password requirements to name a few.

"Indian enterprises are generally hesitant in adopting new technology, as they are uncertain about their role. Very often, enterprise owners/managements first examine the experience of early adopters before taking a decision" explains Subhashini Prabhakar, Chief

Technology Officer, Dax Networks.

Due to security concerns many enterprises seem to be a bit slow in adopting new technologies and practices. However, it is important to realize that risk reduction is no doubt important but it is equally important to adopt technologies that promise significant benefits and value.

Enterprises in India are motivated to move in fields where the returns are high and certain, with the government spending on infrastructure development. But many factors constrain the growth of enterprises. The major challenges for Indian Enterprises are political factors, high inflation, high cost of capital, growing cost of skilled labour, etc. About 70% of the budgets of CIOs are used up in maintenance of infrastructure and they are left with little to improve upon existing technologies or adopting new ideas. There is constant pressure to improve efficiency, reduce labor and facilitate automated provisioning of resources for higher asset utilization and provisioning of workloads to where assets are sitting idle. As more and more capital is injected in to the same type of business, competition increases and with it the costs go up. With increasing costs, prices also increase and markets are hit. "Government process delays is another major challenge" adds Subhash Gupta, Country Manager-India & SAARC, Allied Telesis.

Akhilesh Saxena, GM, Document Imaging, India Cluster GCG, Kodak India, says "Reaching out to their customers segments in most cost effective way, providing best/faster services to their customers, and having faster reach to their money are challenges faced by enterprises".

We strongly feel that to attain maximum growth rate by the Indian enterprises, there is urgent need of technology advancement from physical to cloud. CIOs need to invest wisely in all the solutions which could boost their growth by reducing the cost. Where as vendors need to increase awareness level among enterprise before selling right solution to them.