

### Ramco Looks To Strongly Play The SaaS Field



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#### **S Sunderaraj**

**Senior Vice President - Enterprise Solutions & Indian Operations, Ramco**

Interviewed on : Jan 27, 2010 Interviewed by : Tasneem Balapurwala

**What are your key offerings in the Indian market?**

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**SUNDERARAJ:** If you look at the enterprise market we have the Ramco Enterprise Series which is specifically targeted for mid to large enterprises. It is delivered on premises, but for certain customers, we also put it on the hosted model. Then we have the On-Demand product, which is actually delivered as a software and service (SaaS) to the SMB segment, depending in terms of the requirement and model. We also put this on select modules for certain corporate customers and we also have managed services in different functional areas. The difference between us and the other vendors is we use our own platform to provide services to these customers. When we say our own platform, we have these solutions which have been built using the Ramco virtual works platform.

**Does this not have an impact on the capex for the customer and how is interoperability taken care of if they already have a previous implementation?**

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**SUNDERARAJ:** Since, this is purely price based on a particular transaction or a pay per click model, it does not really have an impact on the capex. On the interoperability front, while mostly the customers have their own applications, certain inputs need to come from them directly, so what we do in that situation is integrate that data into our platform and then we provide the final delivery to the customer.

**What is the channel strategy that you are currently pursuing?**

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**SUNDERARAJ:** We have close to 30 active partners and we plan to have another 25-30 by end of March 2010. We have strategically decided to work with select partners based on a double tier model who focus on solution sales and implementation initially. We authorize partners either as a Ramco Sales Partner – focused on sales or as a Ramco Value Partner – focused on implementation and support. If you look at the revenue model that we have in place, though presently it stands at 40- 60 but going forward, from the next financial year, majority of the sales will have to be through channel partners. For the niche products in the Ramco series, we like to work with niche channel partners. There are few accounts that we have identified that we want to keep as direct Ramco clients but the majority will be directed towards the channels.

**What are the initiatives that have been put in place for the partners who work with you?**

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**SUNDERARAJ:** For all the partners who are enrolled as partners on the Ramco On-Demand channel program, we have organized training programs for the sales people and we also have training for the people who implement. On the financial front, each partner gets commission on the subscription model that the offer to the customer. The second major benefit for the partner is the annuity revenue that they collect a year on after the implementation. Our advantage lies here; as compared to other vendors the margin of commission for partners is substantially higher.

**What are the technologies that you are looking at to include in your stable?**

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**SUNDERARAJ:** We are looking at cloud computing and we are also now moving into virtualization to a larger extent. Though it may not be entirely a virtualization implementation as a standalone yet, we are moving in that direction. For the larger enterprises we are also looking at how we can enable their datacenters for them.

**But the virtualization market share has already been grabbed by other vendors. How do you plan to permeate that market?**

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**SUNDERARAJ:** What we do is not sell virtualization as a separate product but rather as an inbuilt add on to our ERP implementation. Thus for an ERP implementation, we bring down the capex and only charge for the opex, as all they need is an internet bandwidth. Benefit is that in on premises implantation, there is a whole licenses run, which is taken care or when choosing to go hosted.

**What are the realistic goals that you are looking to achieve in the Indian market?**

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**SUNDERARAJ:** In terms of active customer base, we have close to 150 customers and by next year we will try to take it up to 250. Our goal is that in the next three years we would like to have a very strong customer base in India totaling close to 500- 600 customers. And we will also have a vertical strategy alongside as we have certain verticals that are dependent on the enterprise offering. We will probably focus on around 8- 10 verticals and all these vertical sales will be driven by channel partners. We have also identified a select list of partners for implementing certain products.

**How do you see the growth of SaaS in the Indian market?**

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**SUNDERARAJ:** We have been in the SaaS market for more than 2 years and we see there is a significant increase in the uptake, not just from our regular customers but with the customers coming in from the SMB segments. Slowly you will see customers taking their entire ERP suites into the cloud or atleast take up hybrid in the next couple of years.