Media Coverage – Ramco HCM on Cloud
Press Briefing
14th November, 2013

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Ramco Systems recasts strategy to boost growth

Staff Reporter

CHENNAI: Ramco Systems has put in place a new strategy to get the company out of the low growth tag. The new game plan will see the company give a renewed push into international markets and increase marketing spend significantly. It has also taken a conscious decision to put several sub-product areas on the back-burner.

The software product company, which has reported losses for the last few quarters, has enrolled over hundred partners over the last six months, and ramped up its teams to address international markets such as Middle East and Africa.

Despite ramping up the company’s user-interface team, the overall headcount has decreased by 200 over the last year. Most of the decrease has been natural, according to officials.

“Indian software product firms generally have failed because they build a product, but don’t market it well. We’re consciously pushing into global markets now...a decision that will see our investment in marketing eventually jump from the current 8% of sales to 25% of sales,” said CEO Vineender Aggarwal, who was hired last year to set the ship right. He was addressing reporters here on Thursday.

According to Mr. Aggarwal, the company has also consciously decided to not position its products at a lower price, as “building a brand requires positioning it properly.”

Mr. Aggarwal, who was previously with HCL Technologies, pointed out that the company had built many products which would not have seen the “light of the day”.

Consequently, Ramco has put several sub-product features and areas on the back-burner. It has instead decided

Publication: The Hindu, 15th Nov, 2013
Ramco Systems plans to launch HCM solutions in US

BS REPORTER
Chennai, 16 November

Chennai-based enterprise software product company, Ramco Systems, plans to launch its human capital management (HCM) solutions in the United States in the near future. It is also planning to raise around Rs 125 crore through a rights issue for its investments, especially in the marketing.

The company launched the HCM-on-cloud solutions in India in July this year and later in the West Asia. After receiving good response from the customers for its HCM here, it now plans to launch the same in the US market, said Virender Aggarwal, CEO, Ramco Systems.

“There is a huge market opportunity for HCM globally, and we are planning to gain market share here. The market potential for HCM in US is attractive and we have an advantage of having the latest date software,” said Aggarwal.

He said many organisations are battling with the legacy human resource (HR) systems which do not address the new age needs of its employees, whereas its products address the need for mobility, Facebook-like interface and integration with social platforms.

“We have added around 30,000 users for the HCM in three weeks after the launch,” he added.

While the competition is tough out in the market, the company has an advantage of having a payroll for 48 countries which it claims to be a unique offering.

Ramco Systems bets big on cloud to push growth

Goverdan
Chennai

RAMCO Systems is now banking on the cloud option to set itself finally on the growth path, a prospect that eluded it in the past, despite efforts. As part of its latest strategy, which the company’s CEO Virender Aggarwal feels is sure to succeed, it will now focus on delivering products for aviation, ERP and HCM segments. All these will be offered on cloud.

The potential across the globe from these segments for its cloud-based products is huge — global HCM market is estimated at $90 billion, of which about 50 per cent is addressable for Ramco’s capabilities and strengths. While ERP on cloud is estimated at $5-6 billion and growing at 20 per cent, the aviation segment that Ramco focuses on is around $3.5 billion.

The HCM on cloud was unveiled in India in July and the company has been testing marketing it in the US now. Given the potential, Ramco is keen to beef up its presence in the HCM on cloud segment and has been showcasing its offering across HR shows in the US and claims to have received positive feedback from both partners and prospects. Its other focus area for HCM on cloud has been West Asia and Africa, where it has already met with fair amount of success by bagging six new wins and five go-lives for its product in the region.

“Many organisations are battling with legacy HR systems that do not address the new age needs of its employees. Ramco HCM is a comprehensive solution covering HR, talent management and payroll and is offered as a cloud/managed services offering,” says Aggarwal, commenting on the potential that the company is focusing on.

According to him, with the large number of GenY workforce entering the market, the need for mobility, Facebook-like interface and integration with social platforms is catching up among enterprises. We are excited with the initial success of our HCM product in regions such as the Middle East and are gearing up for strengthening our presence in the US,” Aggarwal, who took over the reins of the company just about an year ago or so, pointed out.

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Publication: Business Standard, 15th Nov, 2013

Ramco eyes ₹125 cr via rights issue, to launch product in US

Chennai, Nov 14: Buoyed by the response from West Asian and African countries to its human capital management (HCM) software solution on cloud, Chennai-based Ramco Systems is planning to take it to the US market soon with necessary modifications to adhere to the regulatory framework there.

The company, which is one of the major companies in aviation and ERP solutions as well, will be tying up with local channel partners to penetrate into the market.

The IT products company has also sought market regulator Sebi’s nod for a rights issue to raise close to ₹125 crore.

Ramco Systems chief executive officer Virendra Aggarwal told a select group of journalists on Thursday that the company will acquire substantial major clients in other territories before entering the US market, so that it could build up credibility. Also, in the first phase the company will be looking its aviation and ERP clients who could also opt for payroll solution for their employees.

"As part of our aggressive marketing policy generally and in the wake of the US entry, we will be doing some big campaign to sell our products. We will be spending around 25% of our sales revenues for the next 12 to 15 months," Aggarwal said.

The company which has been making losses during the last few quarters, has also decided to focus only on high-growth verticals such as aviation, ERP and HCM, virtually giving cold shoulder to the rest of the verticals.

"We have chosen the markets where we could make success and accordingly we have made some realignment in our strategies. We have shifted people from low-growth areas to high growth ones and hired specialists to further fuel our growth momentum," he said.
**CHENNAI Ramco Systems’ US Plan**

Ramco Systems, which has been focusing more on HCM (human capital management), ERP (Enterprise resource planning) and aviation sectors, is planning to acquire a ‘business partner’ for launching its HCM product in the US. “Facebook-like interface and integration with social platforms is catching up among enterprises. We believe there is a market opportunity for cloud-based HCM and would like to capitalize on the same,” its CEO Virender Aggarwal said. In one or two quarters, we are looking at launching in the US, Aggarwal said, adding that it would be partner-led market strategy.

**Publication: New Indian Express, 15th Nov, 2013**

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**Ramco strengthens operations in North America**

Chennai, Nov 15: Motivated by the feedback received post the launch of its HCM on Cloud offering, Ramco Systems announced addition of consultants and boutique firms as business partners in North America strengthening their presence for HCM products in the region along with its ERP and Aviation Suite of offerings.

Virender Aggarwal, CEO, Ramco Systems, said “Ramco has been showcasing the HCM on Cloud offering across HR shows in the US and has received positive feedback from both partners and prospects. Interestingly, verticals such as Retail and Services which have a large talent pool and need for mobile-enabled solutions have been the first to move to Ramco HCM on Cloud. To address the Services industry in particular, Ramco also launched Services Resource Planning solution, a flavor of its ERP on Cloud offering.” The company’s Managed Services (BPO) division has witnessed good traction from large organisations looking for an outsourced vendor to support their Statutory and Payroll processing need.

**Publication: Trinity Mirror, 15th Nov, 2013**
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For Ramco Systems CEO, It’s Do Or Die This Time Around

‘WHEN PEOPLE DON’T CHANGE, you have to remove them

Isham Sevaldava | 11th

Sitting on the 10th floor of Ramco Systems’ office in Adyar, its recently new CEO Vineet Aggarwal is not too off the mark when he says he has “enough critical mass”. The challenges taking place in the loss-making Ramco since he took over in May 2013 are probably the most significant since its inception more than 20 years ago. Trying to bring in large-scale cultural and structural changes that meet with resistance, Aggarwal is only too aware of the challenges but says time is too short to dwell too much on them. Ramco has accumulated losses of Rs 40.75 crore as of March 2013. Referring to the necessary turnaround, he says the company “needs to succeed in about a year’s time.”

“When I joined the company, I wrote an email to the entire sales team asking for some information. For three days, there was no response from half the team. For many people here, the culture was non-responsive. Customer complaints were not addressed for as long as one month. Now, if they are not resolved in 24 hours, they hand on the desk,” Aggarwal says. Sales team members who didn’t respond were fired. Actions like these are usually taboo in the Ramco group, which prides itself as an “employee-friendly” group that will remove people from the do. Since he took over the reins, the employee strength of the company has fallen from 1,500 to 1,100, with 400 made redundant. And, there were no replacements for these posts.

Coming from HCL Technologies, he thought the transformation would take 4-6 months. “This is the most difficult challenge of my life. I have never taken more decisions in the past 15-16 months than my entire lifetime. It will take time to break the culture and introduce the necessary changes. Change has to seep to the lowest levels. Sometimes when people don’t change, you have to remove them. Nobody is bigger than the company.”

By changing the way they look at things, starting from where you sit to what you make. Taking the lead from Aggarwal, most senior executives now don’t sit in designated cabins. His own cabin is being converted into a conference room.

Around 300 executives in the company have taken pay cuts, which will stay even if their division outperforms in revenue terms. “Managers have to show either growth in revenue or orders. Around three consecutive quarters of negative growth in both means you are not needed here,” he says.

This constant restructuring of performance parameters is now done across each function. “Earlier, nobody bothered about revenue. The accountability was poor. Today, managers see revenue per employee every day. They hire only when they can maintain or grow the revenue per head.” Revenue per employee is the performance driver at the company, like aviation, have doubled in the past few months and now rival productivity of employees in companies like Infosys, he claims. Budget and resources are allocated based only on performance.

While engineering dominated the company so far, marketing is the new buzzword. Ramco’s competitors are global, from SAP, Salesforce or Workday and spend about 40% of their revenue on marketing alone, while Ramco till last year was spending only 4% of revenue on the same. “We have increased it to 14% this year and will take it to 25% next year. The ultimate aim is to reach 40%—just like competitors,” says Aggarwal.

All these actions would backfire too. Ramco’s determined spending in Europe failed to show desired result and the company was almost ready to “throw in the towel” on that front. But, they decided to wait out another quarter and as luck may have it, the move worked. The division turned around smartly and showed 80% revenue increase in the last quarter.

The focus on marketing has analysts approval too. “Since last year, sentiment among end users regarding Ramco has definitely improved,” said Sunil Padmanabhan, analyst, research director at Gartner’s Business Applications team. He has been tracking the company for many years. “Ramco always had a great product portfolio but it has become aggressive in marketing and entering new geographies. Earlier, it was perceived as a small medium business focused company. Now, with large wins, it has just entered the league of big contractors where it is compared with mega vendors like Oracle and SAP”.

There is also a stress on better talent. One of the first things Aggarwal did was to hire more experts in the usability team to create better looking user interfaces. Today, the team is made up of 20-25 people, from just 2-3 people earlier.

Moving forward hiring from smaller engineering colleges will get reduced and intake from top schools like IIMs Pahad, Indian School of Business (ISB) and the Indian Institutes of Management (IIMs), which is already on the rise.

The pay for quality talent is also higher but a high-quality employee is equivalent to six average ones and the company has been selective in the roles it is hiring for.
Ramco systems all set to polish its marketing side

Virender Aggarwal, CEO, Ramco Systems | ALBIN MATHEW

Chennai: Ramco Systems announced the addition of consultants and boutique firms as business partners in North America. This initiative is believed to strengthen their presence in Human Capital Management (HCM) products in the region, along with its Enterprise Resource Planning (ERP) and Aviation Suite offerings, according to the announcement made in Chennai on Thursday.

After the success of their products in the Middle East and Africa, Ramco Systems is gearing up to compete in the huge US market with on cloud HR, Payroll and Talent Management. Commenting on the success, Virender Aggarwal, CEO, Ramco Systems, said, "Facebook-like interface and integration with social platforms is catching up among enterprises. We believe there is a market opportunity for cloud-based HCM and we would like to capitalise on the same."

“We are well positioned to occupy significant space and the depreciating rupee has actually helped us become a much more global product,” added Aggarwal.

Speaking to media persons on Thursday, Aggarwal informed that the number of new customers being added has doubled in 2012-13, indicating a growth in the market uptake for Ramco’s offerings. He also said that Ramco systems are now focusing on marketing, since the product already has good features.

Enhancing product automation, Ramco announced the addition of features that will help organisations engage with their employees better. Since the launch of Ramco HCM on cloud in June this year, Ramco has added some key customers in India and the Middle East.
Ramco Systems Ltd will concentrate on the US market over the next two years to promote its human resource management software.

The Chennai-based company will more than double its marketing expenditure from 8 per cent of sales to 20 per cent in the current fiscal and the next to promote the software in the US market. The suite, which is delivered over the cloud, is seeing a sizeable demand in the West Asian and African markets where it was launched recently, according to Virender Aggarwal, CEO, Ramco Systems.

“We have won orders from six companies in West Asia, including retail chain Sharaf DG, over the last five weeks,” he said. The suite has 55 buyers in West Asia, 25 in Singapore, and over 100 in India. The company plans to begin its entry in the US by 2014-15.

The HR suite provides software for scheduling interviews, enrolling new recruits, records for attendance, leave, payroll and appraisal among other things. Depending on customisation, the software is priced at $5-15 an employee a month.

The competitors for the US market, according to Aggarwal, are SAP’s SuccessFactors and Workday, founded by David Duffield, former CEO of ERP software company PeopleSoft. Ramco plans to advertise its software through Google’s search engine, “where to get your company name among the top three results for any search word it costs $100,000 a month,” Aggarwal said.

Publication: The Hindu Business Line, 18th Nov, 2013
Ramco Systems waiting SEBI's nod on rights issue: CEO

By PTI | 14 Nov. 2013, 08.49PM IST

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Ramco strengthens its global footprint

Adds consultants and boutique firms as business partners in North America

News | CIOL Bureau

BANGALORE, INDIA. Motivated by the feedback received post the launch of its HCM on Cloud offering, Ramco Systems announced addition of consultants and boutique firms as business partners in North America strengthening their presence for HCM products in the region along with its ERP and Aviation Suite of offerings.

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