

"The IT industry is required to work closely with its target customers and come up with newer innovations."

Shivakumar J S. - GM, Ramco Systems gives an overview of the IT industry



1) Can you give us an overview of the IT industry in India and how it is faring presently?

Information Technology (IT) is one of the most important industries that dominates the economy of India. From being a million-dollar industry in the early nineties, IT has now grown to be a multi-billion dollar industry. With several MNCs

launching themselves in India, the new found avenues of globalisation has provoked a significant proliferation of IT adoption among Indian enterprises. There are other reasons that have paved way to Indian enterprises adopting IT with great fervour. These include the availability of skilled, potential manpower,

reduced telecommunication costs, reduced import duties on IT-related products, and beneficial government policies. Because of these reasons, India continues to be one of the most preferred destinations for companies looking to outsource their IT and back-office functions. According to the National Association of Software and Service

Companies (NASSCOM), IT in India has grown to contribute to over 5.8 per cent of its GDP. According to a study by Springboard Research, the Indian IT services market is estimated to be the fastest growing in the Asia-Pacific region, with over 18.6 per cent CAGR (Compound Annual Growth Rate).

2) Are there any setbacks? What are the challenges you foresee?

Despite the fact that IT is the most promising and outshining industries in India, there prevail several setbacks related to technology adoption, amongst the sectors. Several MSMEs have

under-invested in IT and have not realised the benefits and therefore, IT adoption among Indian industries attains a definite deference, when compared with economies such as Brazil and China. The price sensitivity of Indian MSME segments and complexity of IT management are other significant IT adoption obstacles.

3) How is the industry growing in terms of size and figures?

The IT spending behaviour remained conservative throughout 2009, because of the uncertainty

in the economic environment. The hardware, software and IT services markets, were also largely affected throughout the year, though not as adversely as before 2009. According to a famous IT advisory firm, the Indian IT/ITeS industry is expected to reach a revenue of INR 534,479 crore (over US\$ 110 Billion) in 2013; with the domestic market growing to report revenues of Rs. 2,06,398 crore, as against export revenues of Rs. 3,28,081 crore.

(To read the full interview, log on www.timesascent.in/intervie)

<http://www.timesascent.in/article/2/2010042320100423172518876d8eb03e4/The-IT-industry-is-required-to-work-closely-with-its-target-customers-and-come-up-with-newer-innovations.html>

The IT industry is required to work closely with its target customers, and come up with newer innovations

Shivakumar J S. - GM, Ramco Systems gives an overview of the IT industry



1) Can you give us an overview of the IT industry in India and how it is faring presently?

Information Technology (IT) is one of the most important industries that dominates the economy in India. From being a million dollar industry in the early nineties, IT has now grown to be a multi-billion dollar industry. With several MNCs launching themselves in India, the new found avenues of globalization has provoked a significant proliferation of IT adoption among Indian enterprises. There are other reasons that have paved way to Indian enterprises adopting IT with great fervor. These include the availability of skilled potential manpower, reduced telecommunication costs, reduced import duties on IT - related products, and beneficial government policies. Because of these reasons India continues to be one of the most preferred destinations for companies looking to outsource their IT and back-office functions. According to the National Association of Software and Service Companies (NASSCOM), IT in India has grown to contribute to over 5.8 percent of its GDP. According to a study by Springboard Research, the Indian IT services market is estimated to be the fastest growing in the Asia-Pacific region, with over 18.6 per cent CAGR (Compound Annual Growth Rate).

2) Are there any setbacks?

However, despite the fact that IT is the most promising and outshining industries in India, there prevail several setbacks related to technology adoption, amongst the sectors. Several MSMEs have under invested in IT and have not realised the benefits, and therefore, IT adoption among Indian industries attains a definite deference, when compared with economies such as Brazil and China. The price sensitivity of Indian MSME segments and complexity of IT management are other significant IT - adoption obstacles. It is mandatory that IT solutions are made available to suit the needs of SMEs (Small and Medium sized Enterprises). To achieve this, the IT industry is required to work closely with its target customers, and come up with



newer innovations, akin to what the telecom industry has done. Availability of 'low tech-high touch' support is critical to enable first-time users to stay committed to investing in IT.

3) How is the industry growing in terms of size and figures?

The IT spending behaviour remained conservative throughout 2009, because of the uncertainty in the economic environment. The hardware, software and IT services markets, were also largely affected throughout the year, though not as adversely as before 2009. According to a famous IT advisory firm, the Indian IT/ITES industry is expected to reach a revenue of INR 534,479 Crore (over US\$ 110 Billion) in 2013; with the domestic market growing to report revenues of Rs. 2,06,398 crore, as against export revenues of Rs. 3,28,081 crore. The overall India IT/ ITES industry is expected to grow over 10.8%, to surpass INR 3,09,573 Crore (over US\$ 64 Billion). The domestic market is estimated to grow over 10.2%, to exceed INR 1,09,406 Crore (over US\$ 22 Billion), whilst exports are expected to grow over 11.2% to cross INR 2,00,000 Crore (over US\$ 41 Billion). It is believed that consumers and businesses would spend 3.2 percent more on IT/ITES enables services, in comparison to the expenditure in 2009. The emergence of cloud services is foreseen to revolutionize the industry this year, because of which the industry might return to its trillion-dollar revenue levels.

4) What are some of the challenges HR professionals face in this industry?

- 1) Attraction and retention of key talent
- 2) Building an appropriate culture relevant to the organisation
- 3) Identifying the cultural attributes and nurturing them in the organisation