

Learn from the mistakes of others

Small IT firms are targetting the small and medium enterprises market to bring in the numbers

They are not trying to reinvent the wheel. Instead these small IT companies are trying to learn from the mistakes larger companies have made in the past. If they are successful, they could be the next Oracle or McAfee.

For a number of these companies, the winning strategy is simple—to tap the huge SME population out in the market and provide products and services to them. The SME market is hugely underserved and there is big opportunity waiting to be tapped there.

Kolkata-based Coral Softwares sees the SMB segment in India as its main driver for growth. The company builds customised ERP solutions for small companies, which currently do not have an option beyond large, unwieldy enterprise packages. Prem Chand Kankaria, managing director, says that they key is understanding local requirements. “Our software encompasses things like excise, service tax, and VAT,” says Kankaria, pointing out why Coral has an edge over more generic packages.

The firm has also developed products like X-ise, which they claim is India’s first central excise software to manage records related to, as the name suggests, central excise. Apart from SME clients, some large companies such as Amul, Glaxo SmithKline, Kodak and Lafarge have also implemented it.



For the company, though, the recession last year got sweeter tidings. Earlier, he had customers who wanted to implement ERP without ‘really knowing much about it’. Today when purse strings are tighter, he sees customers having a more focused approach and are informed about what they want.

In the complex world of financial software, InfracsoftTech has made inroads in selling its solutions to top Indian banks. For this company, the good news is that SMEs in the sector have lapped it up.

Hanuman Tripathi, CEO of company says that most international product companies are very risk-averse when it comes to making changes to their product and bringing out new upgrades. “Because of this, maintenance of international software products becomes difficult for companies,” he

says. In comparison, Indian software product companies keep upgrading their products. A fifth of InfracsoftTech’s business comes from the Indian market and it has seen consistent growth here, though slower than in its international markets. “People buy international products because of the strong branding. These companies have worked very hard on brand recall. We have done the same,” says Mr Tripathi.

Branding is something that security solutions firm MicroWorld has been conscious of since its inception. This Mumbai-based SME has a range of web and computer security solutions and boasts of having names like Godrej, Crompton Greaves, Essel Packaging, etc in its customer list. MicroWorld became the first Indian anti-virus security company to start retail operations in India two years ago. Govind Rammurthy, CEO & MD, MicroWorld says, “Indian product companies are very strong technically and there is no doubt the stage is set for a fight in the online security market between local and international players. International security software like McAfee and Norton are difficult to deploy and upgrade. Our nimbleness is what separates us from the competition.”

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