

Indian IT cos begin to tame the dragon

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INDIAN software product companies have started drilling some holes in the Chinese IT wall. Companies like Srishti Software, a Bangalore-based healthcare IT product company, is close to signing an agreement to implement its solutions in 19 hospitals in China. Pune-based internet security firm Quick Heal Technologies has also nestled itself firmly in China since 2007, exploiting the market through its channel partners. Deriving confidence from such developments, more Indian software product firms are expected to set foot in the Communist country shortly.

The Chinese government has made massive investments in the areas of information and communication technologies. According to IDC, China's IT market size was \$119.3 billion in 2011, recording a growth of 20.5% country shortly.

The Chinese government



record a CAGR of 16.5% growing to \$220 billion by 2015.

Sachet Singh, head — strategic business unit (healthcare), Srishti Software, says the Chinese market does not have many mature homegrown product companies, which provides them an advantage.

In China, the healthcare segment is completely state-controlled and the presence of private players is miniscule, but the government is keen on implementing various technologies providing an opportunity for companies like Srishti Software. The IT healthcare segment in China is expected to record a CAGR controlled and the presence of private players is miniscule,

The Pune-headquartered Quick Heal Technologies has also made its presence felt in the Chinese market. Abhijit Jorvekar, vice-president — sales and marketing, Quick Heal Technologies, says that the size of the Chinese market is an attractive proposition given that it has a large base of consumers having access to the internet. The security software market in China is estimated at around \$300 million annually growing in excess of 10%, which is higher than the global average.

Given the challenges of establishing a foothold in the Chinese market, many of these companies prefer to focus on the security software market in China is estimated at around \$300 mil-

THE FUTURE

- The IT healthcare segment in China is expected to record a CAGR of 20% in the next four years
- The security software market in China is estimated at around \$300 m annually, growing in excess of 10%

of the country like the coastal region and its other principalities like Hong Kong and Macau.

TR Madan Mohan, managing partner, Browne & Mohan, a management consulting company, says, "Product market understanding of the Chinese market is limited and smaller companies prefer to look at online players or hosted platforms to limit risk and exposure. Indian IT bodies will have to support these firms better. Currently they are just focussed on the US."

In the case of Srishti, it took about two years before they could even bag their first order in China and this has led to the use of hosted platforms to limit risk and exposure. Indian IT bodies

stand their mindset and culture. There have been cases of companies which have had long-term presence in the Chinese market, but are yet to make any headway. Many find the Chinese market to be extremely deadline focused and not very consultant oriented in decision making.

Jorvekar says that the Chinese market is highly price sensitive and hyper competitive, adding, "everybody wants to be there, but we have to get the right strategy for the market." In the case of Quick Heal, piracy in China remains a major area of concern so they have to identify the right partners while expanding into this market.

There is also the problem of language. Given that country's proficiency with English is quite low, it becomes imperative for these product companies to highly localise their solutions. Singh says "since their (Chinese) comprehension of English is not very good, it becomes a problem of language. Given that country's proficiency with Eng-