

'SMEs new opportunity for IT companies'

NASSCOM chief urges IT firms to exploit the local market

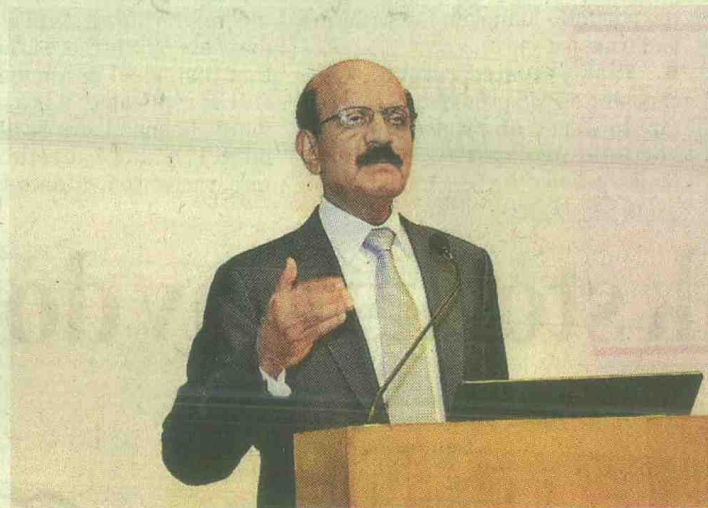
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Ahmedabad: Indian IT companies have been urged to shift their focus to small and medium enterprises (SMEs) from large corporates. BVR Mohan Reddy, chairman of National Association of Software Services Companies (NASSCOM) said the domestic Indian market has various programmes that can be potential game changers.

He said new geographies and new services are also emerging business opportunities for the IT sector, adding the government sector can also be tapped to get business.

Reddy though emphasised that Indian IT companies should focus on SMEs. "Of the Fortune 500 companies, 410 work with Indian companies. But SMEs are a big opportunity," he advocated, adding the size of the Indian market needs to be exploited.

Delivering a talk on 'Emerging Landscape of IT Industry' in the city recently, Reddy said currently 70% of the Indian IT industry's revenues comes from exports, while the balance is from the local market. Indian market's contribution to IT sector's revenue is projected to grow from \$35 billion



NASSCOM chairman BVR Mohan Reddy addressing tech entrepreneurs, SMEs and students at a talk on 'Emerging Landscape for India IT Industry' in Ahmedabad.

to \$50 billion by 2020. "This is the right time to focus on the Indian market. Programmes like Digital India, e-markets for agriculture sector, digitization of land records and others can be game changers," he said.

He urged IT companies to focus on sectors like Internet of Things, Big Data and Analytics, Social Technology and Automation of knowledge work for future growth. He also identified mobile

applications as a promising area for growth.

"Increased connectivity and lowering of costs of sensors and computing have created these business opportunities. Indian IT industry will continue to grow at a CAGR of 11% and is likely to reach \$350 billion by 2020," he said.

Reddy said that since the 1970s, the Indian IT industry has adapted according to changing circum-

stances and is capable of doing so in the future too. In spite of emerging competition from countries like Philippines, India still has a 56% share of the global outsourcing pie.

"USA constitutes 60% of our business. We also need to focus on countries like Japan and Germany. In spite of being the second largest economy globally, Japan contributes hardly 1-2% of India's IT business," Reddy said.

FOCUS AREAS

- Mobile applications is a promising sector for growth
- IT companies urged to focus on sectors like Internet of Things, Big Data and Analytics for growth
- Indian market's contribution to IT sector's revenue projected to grow to \$50 billion by 2020

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