

# IT majors bet big on SMB segment

An increasing number of small enterprises has started deploying technology to gain competitive advantage

Seema Sindhu

**L**arge IT companies are betting big on small and medium business (SMB). This trend developed during the downturn, when tech firms found that SMBs' IT spending was robust despite the slowdown. IBM, Dell, Microsoft and TCS are some of the big companies that are quite enthused about the segment for future growth.

IBM for example focuses on building integrated, multi-product, IT solutions to help SMBs innovate. It has introduced solutions like IBM Cognos Express and IBM Express Advantage which offer end-to-end solutions to SMBs. IBM Express Systems are easy to install, deploy and manage, and affordable.

In early 2009, Dell changed the orientation of its commercial business from a geographic basis (Americas, Asia-Pacific and Japan and EMEA) to three global customer segments: Large enterprise, public enterprise and SMB. Post-reorganisation, the brand campaigns ('Take your own path', Small Business Excellence Awards, etc), which outline Dell's commitment to this segment, reiterate how critical SMB space has become for Dell.

Microsoft too has been engaging deeply with the SMB community. It has a stack of products specially customised to meet the requirements of the SMB segment — Windows Small Business Server 2008 (SBS 2008) and Windows Essential Business Server 2008 (EBS 2008).

Microsoft works closely with local industry bodies and associations. Its Small Business Specialist Channel is a programme meant especially for small businesses that have special business needs. The specialist



## Large players now market IT to small units as end-to-end solutions

community helps reach out to this group.

This also holds true for TCS, which wants to focus on five key industry verticals in SMB: Manufacturing, retail, wellness, education and professional services. "Today we have around 60 customers and we have started delivering IT to them. Today approximately 47 per cent of SMBs exist in the manufacturing space while retail and wellness industries are enjoying a year-on-year growth rate of close to 18 per cent in terms of IT spend," V Ramaswamy, SMB Global Head, TCS, told *Business Standard* in a recent interview.

The renewed focus of these companies on SMB segment is also because IT spends by SMBs are increasing. IT has transformed the way SMBs work today. An increasing number of SMBs is using IT to gain competitive advantage. SMBs today are looking at employing technology as an enabler. A majority of small and midmarket decision makers considers business intelligence and analytics — the ability to see patterns in vast amounts of data and extract actionable insights — as their priority for improving competitiveness. "SMBs are seeking faster and more affordable busi-

ness analytics solutions that can give them the information insights they need to effectively navigate through the difficult times — but without the costs and complexities that come with traditional enterprise solutions," Ramesh Narasimhan, Director, General Business, IBM India/South Asia, recently told *Business Standard*.

According to Ravi Bharadwaj, General Manager, SMB, Dell India, technologies such as virtualisation, ISCI storage and cloud will all have an increasing role to play in SMBs' success and growth. ■

*Additional reporting by Pravda Godbole in Pune*