

Emerging business model in it companies

Business



This model worked fine when the labor in India was relatively cheaper. But now with the annual growth of approximately 9-12% in the wages of Indian IT workers, the clients are looking for other options. Back Office Management : or the Ties was major based in India. But with continuous increase in the wages of the labor, the focus is shifting towards Philippines, Vietnam, China and some Latin American countries. Linear Model: In the earlier years of IT revolution, the Indian IT impasses exponentially increased their employee base, which resulted in the linear growth of the company.

This model was relevant when the cost of labor was relatively cheaper. But since the past 4-5 years, the clients prefer fewer staff and bill them on a " pay as you go' model. Innovations and productivity-enhancing tools, frameworks, solution accelerators and managed services engagements have changed the outlook. This non-linear growth model can enable revenue growth without commensurate headcount growth. Emerging Business Model in Indian IT Industry Change is the only constant and this has been proven again when we talk about the trends observed in the Indian IT industries.

Each model has an expiry date and to sustain and keep growing in such a scenario, one needs to constantly innovate and adopt the latest and updated trends. In the same line, the Indian IT Industries need to urgently initiate transformations across different dimensions that the industry works upon - scale, talent, market, models and capabilities. Another trend, observed currently at the CognizantTechnologySolutions Pat Ltd is about the SCAM (Social, Mobility, Analytics, Cloud) model. SCAM is an integrated stack, where every function enables another to maximize the effect of each other.

This model helps in effectively solving the issues of an organization which is more connective, collaborative, real-time and productive. In the current and upcoming scenario, almost each organization will have to be more connective and ever before. Now it is also the time to focus more on business intelligence, collaboration and customer facing technologies, instead of the traditional process automation strategies. The management of big data and data mining to find the relevant trends and relations is already a part of the strategy in most of the E-commerce and related fields where customer interaction is direct.

Customer-centric solutions and blended delivery is going to help the industry emerge as a strategic business partner to global customers. Global delivery models which provide onshore, nearshore and offshore solution to the clients are the key to acquire the customers around the globe and increase the global footprint effectively. Finally, Cloud Computing, that also facilitates to offer Anything-as-a-Service or (AAAS) is the new trend that is developing and is predictably soon going to be observed in every IT or IT services provider organizations.

AAAS includes major Software as a Service (SaaS), Infrastructure as a Service (IaaS) and Platform as a Service (PaaS). Other examples of AAAS include storage as a service (SaaS), communications as a service (SaaS), network as a service (NaaS) and monitoring as a service (MaaS). Data Consultancy Services Limited Incepted in 1968, Data Consultancy Services a member of the Data Group has become one of the largest IT services firm in the world based on its record of outstanding accessibility. They are the world's first

organization to achieve an enterprise-wide Maturity Level 5 on both COMIC and P-COM.

In the list of Forbes World's Most Innovative Companies ranking, TTS is ranked 40, making it the highest-ranked IT services company and the top Indian company. Going by the revenues, it is the world's 10th largest IT services provider. Brief History The TTS was incepted in the year 1968 as the " Data Computer Centre" for the Data Group, the main purpose of which was to provide computer services to the other group companies. One of the main assignments was to provide the punch card services to another group company, Data Steel (now DISCO). In 1975, it started with the campus recruitment program. Learn how IKEA has essentially changed the way

In 1979, it went global by delivering systems to the Swiss company SIS Coelenterates, Canadian Depository System and Johannesburg Stock Exchange. In 1981, it established Data Research Development and Design Centre (TRADE), Indian's first dedicated software research and development centre. In 1999, TTS saw opportunity in E-commerce related solutions and formed a separate division for the same. This division was, by 2004, contributing half a billion dollars to TTS. On 25th August 2004, TTS became a biblically listed company. Currently, the TTS has over 300, 000 employees at 199 offices in 45 different countries.

The current market capitalization of TTS is about \$84 billion, which is higher than the next 4 big IT companies in India namely, Informs, Wiper, HOC Technologies and Tech Maidenhair. Financial Data Stock Price as on Fri., 21st August, 2014 - INNER 2516. 45 (BASE) For last two months, it is an increase

<https://assignbuster.com/emerging-business-model-in-it-companies/>

of over 18% The revenue has grown by the CARR 28. 47% over the last 5 years. The revenue for 2013-14 stood at 81809 scores. Business by Topography and Sectors Maximum of TTS revenue is comes from the North America, I-J and Europe. While India accounts for only 6. 71% of the total revenue earned, the rest of the world accounts for 93. 9%. The maximum revenue earned by the TTS comes from the Enterprise solutions and application development and maintenance. Growth Strategy TTS' success is credited mostly to its global footprint. TTS has the maximum global reach compared to any other Indian IT companies. After its geographic reach, the TTS also expanded to have wide industry coverage and service capabilities. Coupled with deepening existing client relationships, building or acquiring emerging businesses and adopting or creating new business models and business solutions through continuous innovation, the TTS is right on track to achieve its longer term goals.

Key elements of the growth strategy are: Customer Eccentricity: Acquire new clients, nurture and deepen customer relationship Full Services Capabilities: TTS offers comprehensive range of products and services, which makes it one stop shop for various clients Global Network Delivery Model (MIND): TTS uniformly delivers services to global customers from multiple locations across the globe. This model has become the benchmark of excellence to the software development. Strategic Acquisitions: Though TTS has, in its whole term acquired a considerably less number of companies considering the fact that it has always been cash rich, but each of these acquisition have been very select markets, strengthen verticals and enhance service offerings. Non-Linear Business Model: As per this model, TTS can have revenue growth

without considerable growth in the headcount. This is possible through continuous improvement in the productivity enhancement tools, software products, solution accelerators and managed service agreements.

Chief clients list BAN, Agilest Technologies, Lillian Life, AVIVA, British Airways, Chrysler, Cisco, Deutsche Bores Group, Electronic Arts, Handy, INNING Group, Microsoft , National Insurance Company, Qualm, Sony, Data Power, Woolworth Informs Limited Established in 1981, Informs is one of the largest IT services firm in the world owing to the consulting, technology, and outsourcing solutions. Informs is the first Indian many to offer its employees stock options in the year 1993 when it went public. It is also first Indian company to be listed in NASDAQ in the year 1999.

Informs became a global company right from the start. It currently holds offices in 32 countries with over 1 50, 000 employees and market capitalization of close to \$26 billion. Brief History Informs was incepted in the year 1981 with seven founding members. It's first client was Data Basics Corporation in New York. Its first international office was opened in the year 1987 in Boston, US. In 1993 it went public and was the first company to roved the ESP. (Employee Stock Options) program. In 1993, it opened office in UK and laid foundation for expansion in Europe. In the year 1998, it started Enterprise Solutions practice.

Just one year after that, it touched the milestone of \$100 million revenue gets listed in NASDAQ and achieved COM level 5 certification. In the year 2000 and 2001, it doubled its revenue the two consecutive years. In 2006, Mr.. Nary Murphy retired as the CEO of Informs and Mr.. Kuris Supranational

became the new CEO, who continued till 2011 and made way for the new CEO Mr.. K V Kamala. Since then, Informs has been observing a very slow growth rate. Financial Data Stock Price as on Fri., 21st August, 2014 - INNER 3340.35 (BASE) For last two months, it is an increase of over 11.1%. The revenue has grown by the CAGR 21.85% over the last 5 years. The revenue for the year 2013-14 stood at 50133 scores. Business by topography and sectors While India accounts for only 3% of the total revenues earned by the Informs, US and Europe contribute to the 85% of the net revenue. Informs accounts maximum revenue from Financial Services and Insurance sector. Growth Strategy Informs growth strategy has been primarily divided into three time lines: Informs 1.0 The strategy applied by the Informs during the year 1981 to 1996 is primarily called Development and Maintenance, Software Re-engineering.

During this time, Informs focused on establishing global delivery model, trust with the client and emphasized a lot on the quality. *Above image taken from the Informs Investor Presentation IQ IFFY Informs 2.0 During this time (I. E. 1997-2011), Informs grew based on the model that was established in the previous years. Additionally, four axes were defined: First, expanding into other industries. It invested in building industry knowledge Second, expand the suit of services it offered to include enterprise solutions, infrastructure management, testing, as well as business process outsourcing. Third, increase the global reach by becoming US centric with significant expansion in the Europe and I-J Fourth, the clients where, 95 to 97 per cent of Informs' business comes from repeat clients Informs 3.0 Currently (I. E. 2011 onwards), declares itself to be an IT Consulting and Servicing firm.

Currently, the balance of Informs' business - 65 per cent, remains on optimization, essentially the roots of the business' growth. Around 30 per cent is consulting-led transformation type and then about 5 per cent falls under the banner of innovation.

Chief Clients ICC Bank India, State Bank of India, Birth Retailer, PepsiCo, US, the Co-operative Bank, I-J Wiper Limited Wiper Limited is a multinational System Integration and IT Consulting services company, headquartered in Bangor, India. It is formerly known as Western India Products Limited. As of March 2014 the company has a presence in sixty-one entries with 147, 452 employees servicing over 900 large enterprise corporations. On 31 March 2014, the market capitalization of the company was approximately INR 1.27 trillion, which makes it one of Indian's largest publicly traded company and seventh largest IT services firm globally.

Skim Preemie is a major shareholder in Wiper with over fifty percent of shareholding. Brief History Wiper has a history back to 1945 when it was established as Western India Vegetable Products Limited in Enameller, Maharajah's. It went PIP for capital in February 1946 and ventured in to the IT industry in 1981. It established software products and exports subsidiary, Wiper Systems Ltd. In 1983. In 1985 it pioneers in marketing indigenous Personal Computers. Entered IT services in the asses - the pioneers in developing the Offshore Development Center concept.

Software business is assessed at SEE-COM Level 5 in 1998. It was listed on NYSE in 2000. It is the first company in the world to be assessed at APPC Level 5 in 2001. It entered the BOP business in 2002. It entered the CEO-

energy business in 2008. It demurred its non-let businesses into a separate company named Wiper Enterprises Limited with effect from 31st March 2013

Financial Data Stock Price as on Fri., 21st August, 2014 - INNER 535. 85 (BASE) For last two months, it is an increase of over 7% The revenue has grown by the CARR 10. 8% over the last 5 years. Total revenue observed in 2013-14 is 6618 million dollars.