

NEC INDIA TO INTENSIFY BUSINESS IN SME SEGMENT

The success of Indian SME market has given a clear indication to the products vendors that there is a huge potential. Those companies will succeed in this market who have end to end solution.

BY SMRUTI CHOUDHURY
info@smechannels.com

FACTS ABOUT



Year of Operation	: 2006
India Headquarters	: New Delhi
Key People	: Koji Oda, Managing Director, NEC India Pvt. Ltd Rajiv Bhalla, Country Head - Sales & Marketing, NEC India
Key products	: Security and Surveillance Systems, Carrier Network, IP Telephony Solutions, Retail solutions, Private Network Solutions, High Performance Computing, Servers, Storage and Thin Clients, Projectors and Commercial Display Products and Solutions
Website	: www.necindia.in

The indicator of any growing country is certainly lies in the growth of its SMEs because until the SMEs grow the industrial contribution to the GDP will not be healthy. Its employment will be low so also the per capita income. This is the sector which helps every economy to sustain the bad financial conditions. After experiencing bad market conditions in last 2-3 years, the IT vendors have riveted their eyes on the SMEs to be their savior and driver of the business.

It is estimated that globally there are 5 billion SMEs existant and in India the number is around 11 million. Globally, all the government and private sectors are focusing on the development of the SMEs so that they become flag bearer. It is believed in India SME sector is going to contribute 60% to the country's GDP and they will be responsible for 30% of IT spend. Given this backdrop, global technology vendors are ready to address the requirements of the SMEs but some are very aggressive and some are not but NEC is really very aggressive on this turf. Globally the company has a lot of products for SMEs which they would like to drive in the Indian market.

Today, enterprise telephony is not just the telephone rather it works as a unified communi-

cations. NEC understands the pain points of the SMEs from the UC perspective and drives this market with its UC solutions.

Ravinder Raina, Country Head – Private Network Solutions (PNS), NEC India Pvt. Ltd., says, “We are teaching the SMEs about what we can offer to them in terms of UC and how it can help them in enhancing their productivity. We have already deployed solutions in many SME enterprises.”

Focused market

NEC has solutions which can address organizations with 10 people till large organizations. The company focuses on the organizations, which fall under its strength areas. Despite the size of the organization – be it 100, 200 or 300 people, the company addresses the market with different strategy. Having said that, NEC classifies Indian SMEs from 10 people organizations to 100 people organizations.

Looking at the cost sensitiveness of the SMEs, NEC India has come up with affordable solutions recently – SL1000, an IP-enabled Communication platform, which is perfect for SMEs' UC applications. This solution engrosses all the applications required of the SMEs including unified messaging, cloud computing, etc. and scalable enough to accommodate the growth of the organization.



**RAVINDER RAINA,
COUNTRY HEAD -
PRIVATE NETWORK
SOLUTIONS (PNS),
NEC INDIA PVT. LTD.**

Challenge

In the today's scenario, the customers are getting educated and awareness is increasing and at the same time, economic condition of the customers are becoming healthier, which is enabling them to open mindedly discuss about technology that they really require. It brings a huge challenge for the vendors to convince the customers. For example there are local companies which are offering solutions at a very cheaper cost. There is a huge competition among the brands like Panasonic, Siemens, Alcatel Lucent, Cisco, NEC and Avaya.

Ravinder says, "The benefit of our solutions is that it is one of the best products in the competi-

tion for the SMEs. As it goes in a bundle, its value becomes very cost effective. In the market, where we have to compete with companies like Panasonic, Siemens and Alcatel Lucent or even Cisco, these companies do not have offerings like this."

Recently, Avaya has also entered into the SME market with a product called IP Office. But as per Ravinder, "IP Office does not match cost effectiveness of SL1000. That even does not match all the features of what SL 1000 offers. NEC has another communications solution called SV8100, which is more powerful than IP Office so I see IP office is still struggling in the market. They are trying to bundle the product in the market but they are

not able to get that much of success. People selling IP Office are also selling NEC products; we know how much that product is moving and how much our products are moving."

The products sale in the market also depends upon the channel comfort level. NEC solutions offer plug & play features and does not require the customers to spend much time in maintenance.

Go to market

As far as SME products are concerned NEC takes the channel route. The company empowers the partners by conducting class room training sessions, road shows and webinars. The company has around 400 dealers all across the country in various A and B category of cities. They also offer all the back-end support that the partner can require. NEC Communications products are being distributed by national distributor like Enkay Technologies (India) Pvt Ltd., which is basically for hospitality & enterprise segment, Arvind Ltd.- Telecom division (Syntel) for SME segment , Intellicon Pvt. Ltd. for Government & Enterprise customers and AGC Networks Ltd. for its Private Network Solutions. And the company is also working with SIs like Unicom Infotel Pvt. Ltd. and Wipro.

As per Ravinder, Syntel and Enkay are basically focused on SMEs and 400 dealers are aligned under them. Out of the total number of dealers, the company has identified 70 people as prime dealers who have more presence in SME market. These dealers are connected directly with NEC. Apart from the channel programme, NEC has a Universal Partner Program (UPP), where the partners get training online. They get online information in terms of products upgrades, roadmap, etc. Today, the company is present through 400 dealers, but they aspire to increase the number to 500 by the end of this years.

Finally...

With an objective to be a single window for the SMEs customers, NEC India is not leaving any stone unturned. Starting from participating in exhibitions, to road shows, branding campaigns, the company is engaged with the market quite aggressively. From the SMEs' perspective, NEC offer natural advantage as they get entire solution that an office requires including display solutions, board room solutions, Audio Video, retail, WiFi, Security, etc. Today, the SME business contribution to overall NEC India's turnover might be small but with the positive indicators, it will touch 30-35% soon. Ravinder concludes, "We have achieved a comfortable level in the SMEs in India whereas others are really struggling to enter into that market!" SME