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Using smart online tools has placed SMEs on a level playing field with large enterprises. It has given them 'access' and 'reach' to a large customer base across geographies.
Many owners of small companies in tier-II cities are not aware of existing IT solutions that may solve their problems.

10. A significant proportion of Indian SMEs are well on their way toward the second wave of IT adoption. Some are even likely to migrate to the third. The key booster of this rapid adoption of technologies is the internet. Its growth has promoted the usage of various internet-related technologies, e-commerce, e-purchase, website adoption and also the internet (for better-infra collaboration).

Using smart online tools has placed SMEs on a level playing field with the large enterprises. It has given them 'access' and 'reach' to a large customer base across geographies. Smart e-commerce tools also can mitigate certain barriers for SMEs presence in the market and reach potential customers through smarter ways of transacting with customers. These tools have successfully done away with the age-old rule of the middleman and resulted in greater efficiency and profitability for the SME.

NEC is well positioned as solution provider and has unique accessible communication channels available to SME owners.

Financing: SMEs have a focused eye on ROI, and may also be unable to make investments upfront.

Obsolescence: With difficulties in investing in technology upgrade, many SMEs are forced to trade off their current IT infrastructure and in many cases obsolete technology.

IT management: Since smaller businesses find it expensive to hire a dedicated IT manager, it is typically the owner who takes purchase decisions and the maintenance is also left to companies that offer support packages.

Structured processes: SMEs need to focus on adopting standardised processes, which would enable them to better understand the relevance of newer technologies to their business. This would also help them remain competitive in today's global environment.

Lack of vertical specific solutions: Most IT solutions are not customised to vertical cluster-specific problems of SMEs. One day to day basis, Indian SMEs face various problems such as lack of customised solutions to suit the specific needs depending on the nature of their business, lack of investment capability in high-end IT infrastructure and in-house management capacities etc.

Technology upgradation: Small scale businesses thrive on gaining higher returns on each investment. There is a growing requirement for this sector to go for technology upgradation so as to meet existing challenges of business continuity, seamless communication and productivity. This will help them ensure better returns on their investments.

How does NEC engage with these small and medium businesses in India considering the numbers are huge?

As per AIMA, the overall spending on IT by Indian SMEs totaled Rs 32 biilion in 2009 and is expected to grow at a CAGR of 24% to reach Rs 59 billion in 2011. NEC India's strategy to tap this growing market consists of two major components: marketing and sales outreach.

Marketing: NEC has been promoting and participating in various shows in tier-II cities, where it has been able to attract a large number of SMEs. NEC’s strategy is to create awareness among SMEs about the importance of IT in their businesses.

Sales outreach: NEC has been conducting seminars and workshops in various cities to educate SMEs about the benefits of IT. These seminars are attended by SMEs from all over the country.

Does NEC develop distinct, separate products/services/applications for SMEs or applications for larger enterprises are retrofitted for small companies?

NEC India has a range of products and solutions that are designed specifically for SMEs. These products and solutions are customised to meet the unique needs of SMEs and are designed to be cost-effective and easy to use.

In conclusion, SMEs are an important segment of the Indian market and NEC India is committed to providing them with the right IT solutions to help them grow and succeed.

Rajiv Bhalla
Country Head, Sales & Marketing
NEC India

To reach out to the SME sector, NEC India is banking on innovation. By empowering its customers through product innovations and also strengthening its partnerships, NEC India is serving SMEs in a more effective manner.

Rajiv Bhalla, country head, sales and marketing, NEC India about their strategy.

What kind of challenges do micro, small and medium companies face in India?

India is the second largest population of small and medium enterprises among BRIC countries and the US. SMEs contribute more than 50% to the Indian GDP while their spending on IT is only 50% of India's total IT spending.

The Indian SME market is worth $57 billion and there are over 11 million SME units in India that produce more than 8,00 products. In spite of this, there are certain challenges that the Indian SMEs are facing in terms of productivity and efficiency. SMEs serve as a seed-bed for the emergence of entrepreneurship in the country. The development of small scale industries is instrumental in increasing not just the per capita income but also results in better economic growth of the country. It provides for more equitable distribution of the income of the nation. Further they make effective mobilisation of unsupervised capital and human skills and leads to dispersal of manufacturing activities all over the country.

Yet SMEs today are faced with numerous challenges.

Lack of IT awareness: Many SME owners in tier-II cities or rural areas are not aware of existing IT solutions that may solve their problems. Only 5% of SMEs are currently using IT, according to a recent survey by the Confederation of Indian Industry (CII). It is clear that SMEs need to be more aware of the latest IT solutions available.

NEC India is therefore taking steps to educate SMEs about the benefits of IT. NEC India organises seminars and workshops in various cities to educate SMEs about the benefits of IT. These seminars are attended by SMEs from all over the country.

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