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Three batsmen and a home run!

An Indian SME's insight of the American market

The depression of the post dot-com bust coupled with 9/11 is slowly but surely giving way to much more energized and positive forward looking US economy ahead. Despite a sluggish recovery on the manufacturing front the services, financial, education and pharma market are looking up.

Indian services have been creating quite a stir in the US with negative publicity on CNN and leading magazines with headlines ranging from “Your job is going to India” to “Another company shifts its operations to India”. Although this might sound bad but it really isn't the case. Most companies have seen what a few months of sluggish markets can do to their bottom line and are increasingly aware that they not only have to outsource but also have to offshore to keep healthy bottom lines.

India today is in a sweet-spot as far as providing quality cost efficient software and back office services are concerned. But a word of caution, most SME Indian companies are still in the blind as to how fast Russian and Chinese companies are catching up. These companies are fast offering the same services that we have been doing over the years.

To maintain our competitive edge we must move up the value chain. Some of the value-add services that SME software companies can offer are Onsite Subject Mater Experts, Onsite Needs Analysis teams etc. Most of us have been shying away from committing to such high cost activities because we are of the notion that the customer does not want to pay for any onsite component or we are skeptical that the total proposal cost would be too high to be competitive. In fact the trend in the US market is that they do not mind shelling out that extra dollar for having an onsite value-add component as long as it ensures successful , on time and “anxiety free” delivery.

Anxiety-free is the buzz word today. US companies are at a wits end after having to deal with communication, collaboration and project management issues with Indian SME companies.

One of the key factors we always seem to miss out on is that American and Indian companies work in very different management styles. The Americans work in a collaborative style while we still work in the hierarchical style. Due to this management style most decisions in the US are taken by large, geographically dispersed teams and invariably one or more of the team members come up with the question of “how do we know if everything is going well?” or “is there someone we can talk to during our hours when we need some clarification or modification?”.

One argument against that could be that we could have people working here during US daylight hours; but we need to appreciate that we are a knowledge based industry and we will burn out our staff by attempting to do that. Additionally Americans are very compassionate people and my experience when calling from India has been that they always spend a minute expressing how grateful they are about us calling them in the night. These factors at some level creates a discomfort among our American clients and they would much rather speak to someone based in the US for project related issues.

In fact just last year I used to tell all our US and European clients that there is no need for an onsite component. My spiel was that we need to be conscious about costs and that since we follow ISO and CMM standards there is no need to do so. However the mood this year has changed to one of being “anxiety free” and thus necessitating local presence.

Another aspect is most Indian SME's have a standard pitch which says – Cheaper, Faster and Better! I believe there is a paradigm shift and US companies are looking for other things like – Ease of deployment, Ease of development, Quality of development etc. “Cheaper” is certainly not a key parameter of selection and neither is “Faster”. This clearly demonstrates again that in todays world cost is not the only factor and this again ties in with the “Anxiety-Free” concept.

In summary I sincerely believe Indian SME's have a great opportunity ahead to ensure their dominance in the US services market provided we are able to quickly and decisively change our selling and project delivery models.