

LOOKING FOR RIGHT PARTNERS TO TAP INTO THE SMBs

The erstwhile Alcatel Business Systems subsidiary and today's largest partner, ABS India is all set to expand its channel business to tap into the SMB market. With its ethical practices and strong philosophy, ABS is confident enough to replicate its enterprise success in the SMB market too.

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Came into the market in 1995 as an Indian subsidiary of Alcatel Business Systems (present Alcatel Lucent Enterprise), ABS India has gone into metamorphosis a couple of occasions. First: when the parent company wished to exit the distribution business making ABS India an independent distribution partner of Alcatel Business in 2002 under the leadership of Sunil Arora, the present CEO of the company and two of his colleagues from Alcatel Business Systems (India). And the other occasion was when ABS India went into SI mode adding complementary products to create solutions for the customers. Of course, these phases of transition have brought in success to the company in the large enterprise and government space. Whereas India is a SMB based country where ABS India finds its footing quite loose, which the company wants to correct in next couple of years.

Today, ABS India is able to serve very large enterprises in the Hospitality, Government, PSUs Transportation including Metro Networks, Defense sectors, but its success story does not

come to a full circle because there is not much success in the SMB market, which is very large in itself. Secondly, SMB segment unlike enterprises provides run rate business, which can easily go to the competition if not properly addressed. Therefore, Sunil and his team are quite serious about it. On the other hand, what the SMBs would get out of ABS India is they would access quality products and high quality services. They will be dealing with a company which believes in standards, best practices, commitment, best services, etc. Sunil says, "Till today ABS India is adhering to the principles inherited from its parent company. It still goes by the standards based practices and lays stress on the quality of services."

The best part of ABS is that it has presence all across the country. As per Sunil since the company is engaged with large government organizations, defense and PSUs, the very nature of the organizations demands services from ABS locally. Therefore, ABS India had no choice but to open up either branch offices or service locations across the regions. So, to be precise the company has regional offices in major cities like Delhi, Mumbai,

Bangalore and Kolkata and branch offices in Hyderabad, Ahmedabad, Pune. From the service location point of view, it has presence in 35 odd locations in the country.

"As an organization, one of the key drivers for us is that we pay a lot of emphasis on services. Therefore, we are successful. The complete telecom infrastructure for a company might incur a very small investment but from the importance point of view it is absolutely important as 100% uptime is very critical for the smooth functioning of an organization," Sunil maintained. "So, when we do projects with the customers, we take due care of the design part by understanding the needs of the customers and how they communicate with their customers and their employees."

He added, "We pay a lot of emphasis on the pre-work before the actual sales happen. We do a huge amount of work during the implementation and post implementation so that you have a seamless communication across your organizations for both internal and external usage."

As referred earlier, ABS India is an ISO driven organization. It has got 9001 certifications which



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CEO & DIRECTOR, ABS INDIA PVT. LTD.

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is for quality management system. It is also going for next level of certifications from ISO. All the certification does not only make its practices standards based but also makes the company ethical in its practices which is very much a comfort factor for the customers. Therefore, today most of the metro rail organizations are customers of ABS India. Similarly, a lot of hotels are running on ABS India's communications solutions. Sunil maintains, “We deliver the same what we say. We do not say something and deliver something else. There are many large PSUs, whose entire communication system are with us for many years. Most of the metro organizations are dependent on us for the communications. It has happened because we are able to deliver right kind of solution. They are able to judge us on the basis of how we do the entire implementation and how we deal with the challenges and how we handle the downtown. So in the process of doing that we have won trust of these organizations.”

So as a direct team, ABS is able to provide all kinds of services to these customers but the challenge for the team is addressing the SMB market.

So, the strategy is to penetrate the SMB market not directly by ABS Team but by the channel partners. This is for the simple reason that the SMBs are spread across and partners know about them better. Secondly, the requirement of the SMBs are quite different from that of the large enterprises. Thirdly, ABS cannot afford to cover the entire geography with its own force, it has to create an extended arm. Another perspective is that ABS team which is obsessed with the large accounts may not justify their additional role of addressing SMBs because the ticket size is always small, which may not attract them at all.

The other reason for ABS to add extended arm is that it runs on the principles inherited from its parent company, which is about creating quality of services, investing in training and marketing, creating architecture, etc.

So, the goal is to create 80-100 partners over the period. From ABS side, the entry criteria for the channel partners is that they should be ready to invest in ensuring their team being upgraded and trained appropriately apart from taking interest in the product lines that ABS deals in.

On the other hand, what the partners are going to get is that they get to work with an ethical technology company, which is committed to support them, pass on good margin and believes in organic growth. Sunil says, “The way we handle the channel partners is different from the way the market does. The traditional distributors look at the channel partners from the distribution point of view whereas we look at designing the solution with them, hand holding them in the pre-sales and sales, supporting them in post-sales, developing business with them, marketing with them, etc.

Finally...

ABS India is growing at an average pace of 10%+ year on year, and with Channel in place to address the SMB market, the company can be well on its way to achieve a target of 15% growth. Of course adapting to the market dynamics, ABS India would focus on the cloud business going forward, which they have already started from last year.

Sunil concludes, “As an organization, our strength is around designing the solutions, marketing and servicing. Our philosophy is based on Alcatel Global's philosophy. So, from a Small market point of view, we want to express our strength through the channel partners. At the end of the day we understand that our reach is limited.” **SME**