

THE ECONOMIC TIMES

'There's A Paradigm Shift In Infra Outsourcing'

THE INDIAN IT infrastructure outsourcing market is witnessing very high traction with major vendors sewing up one deal after the other. Within this, remote infrastructure management has caught out-sourcers' fancy with lower cost and global delivery model being big pluses. **Swapan Johri**, vice-president, IT operations and transformational services, HCL Comnet, speaks to **Chiranjoy Sen** on what's happening.

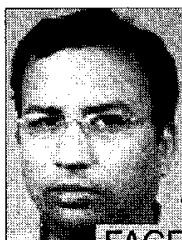
How do you distinguish between remote infrastructure management and total outsourcing?

Remote Infrastructure Management (RIM) services entail monitoring and managing IT infrastructure components like desktops, storage, networks, desktop applications and security infrastructure from a remote location and keeping these systems running with appropriate uptimes. These

services are provided through an offshore operations management centre (OMC) that proactively monitors and manages the infrastructure. RIM cannot be called a sub-segment of total outsourcing because while the former refers to a 'delivery approach', total outsourcing describes the scope of the offshoring engagement. Rather, remote infrastructure management is an activity undertaken as part of selective outsourcing.

Can you estimate the market size for remote infra management? Is it a sub-segment of total outsourcing?

The market size of Infrastructure Manage-



TO. **FACE TO FACE**

ment Services (IMS) has been quoted by various experts anywhere between \$86-150 billion. According to a Nasscom study, an estimated 40-60% of the overall IMS pie may be efficiently delivered through a global delivery model. This translates to a market potential

for remote IMS of approximately \$55 billion. Currently, the remote IMS business out of India is only \$200 million to \$300 million.

What are the new trends in remote infra offshoring that you see today?

In remote infrastructure management services, we are observing a paradigm shift from a total outsourcing model to discreet/selective outsourcing. There are multiple advantages attached to selective outsourcing like flexibility, proactive problem resolution, visibility and retention of strategic control etc. The real transformation, however, is in terms of cost benefits derived from the offshoring of technology, infrastructure operations and application operations.

Another interesting emerging trend that is being seen is that global companies now increasingly prefer Indian speciality vendors for infrastructure management, as opposed to global giants.

RIMS is also being seen as an exciting career for aspirants in India, exploring alternate careers in IT, due to the scale and growth opportunities it offers.

Are deal sizes in remote infra management coming down globally?

No. In fact, deal sizes in RIM are being seen to grow at an accelerated rate. Although most deals may be small to start with, they expand 100%-200% of their original sizes.

Are Indian companies keen on remote infra management too?

Indian companies are catching on to the trend of selective outsourcing. While companies in the telecom and energy sector are going in for large-scale outsourcing deals, the banking segment is yet to step in in a big way as they have made large transformational investments in the recent past. Therefore, this would push them towards the selective outsourcing when they decide to out-source their IT infrastructure management.