

Trade Arabia  
February 6, 2008



## MEDIA BUZZ



HOME TRADE NEWS BUSINESS DIRECTORY PREMIUM CONTENT

ADVERTISE  
CONTACT US



8 - 10 April 2008  
Call: Bahrain International  
www.Exhibition Centre



- GE Healthcare launches new radiographic system
- Time for health check, say experts

- Top art works for Dubai show
- Wilson bags \$408m Osaimi Palm resort deal

### IT and Telecommunications

#### Interview: HCL sees huge potential in GCC

India-based HCL Technologies sees tremendous potential in the GCC for IT infrastructure management services and has ambitious plans for the region.



[Read More](#)

- Astrata forms JV with Al Tayer
- Toshiba eyes \$6.6bn NAND plant

### Property and Real Estate

#### Limitless to help build Russian new town

Dubai-based Limitless and Russia's RDI Group have agreed a joint venture to build a town for about 12,000 people near Moscow, a report said.



[Read More](#)

- Dubai Prop to handover 5,000 units in 2008
- Work begins on J. Risco Tower

#### Ads by Google

- [Bahrain List](#)
- [Dubai Weather](#)
- [Dubai Currency](#)
- [Qatar List](#)
- [Emirates Air](#)



## HCL sees huge potential in GCC

India-based HCL Technologies sees tremendous potential in the GCC for IT infrastructure management services and has ambitious plans for the region.

HCL is one of India's leading global IT services companies, providing software-led IT solutions, IT Infrastructure Management services and BPO. It has recently signed an agreement with Riyadh-based Advanced Electronics Company (AEC) to implement IT projects in Saudi Arabia and has plans to expand in the Middle East. Under the agreement, AEC and HCL (through its subsidiary) will jointly work to implement and execute integrated IT solutions and services for business transformation covering the end-to-end of the IT. The company has also joined hands with Awalnet, KSA's leading ISP, to offer Integrated IT Management Services to Middle East Enterprises.

HCL has also inaugurated its first IT Management Centre (IMC) in Riyadh, which brings the company's pioneering Remote IT Management delivery model to the Middle East.

**Anant Gupta**, president of HCL Technologies Infrastructure Services Division (ISD), in an exclusive interview with **Sree Bhat**, speaks about the company's plans for the region as well as its commitment to the 'Glocal' concept.

Excerpts from the interview:

#### What does HCL bring to the Middle IT market?

We at HCL Technologies have very ambitious plans for the Middle East region. The fulcrum of these plans is a new paradigm which has the power to influence the way 'Next Generation' economies will shape up across the world, and which has the potential to take the Middle East economy, and the IT industry in particular, to a new level. This concept is called 'Glocal' – based on the principle of 'Think Global and Act Local' approach. It is a mutually beneficial, financially rewarding ecosystem of global and local partners.

HCL has applied this sourcing model to IT and pioneered the concept of Glocal IT management, wherein we are partnering with local leaders like Saudi Arabia's AEC and Awalnet to provide globally benchmarked IT management services to Middle East enterprises.

With a solid long-term business plan in place, HCL has already started tasting success in Saudi Arabia, UAE and Oman along with considerable traction in other GCC countries.

The company intends to target integrated and transformational deals which would include infrastructure services, and packaged applications like ERP, CRM etc.

#### What is the business focus of HCL in the region?

HCL is carrying its integrated IT portfolio to this region ranging from application development to BPO and IT infrastructure services.

On the IT infrastructure side, we have seen that the enterprises have made big investments in setting up IT infrastructures and the investment flow continues as the region sees an unprecedented growth. However, sustaining the excellence of IT in which they have invested is a key issue facing these companies now face. There is a clear lack of appropriate systems and processes to ensure that the infrastructure performance is predictable, reliable and able to address the growth demands of the business.

So we believe that a big vacuum exists in the 'run'-side of the IT operation and that is where we see a definite opportunity in Middle East. Our IT Infrastructure Management Services ensure that the 'run' side of IT functions in a predictable and process aligned way. We have provided these IT management services to leading institutions in India for many years and are now successfully delivering them to some large global organisations distributed across the world.

#### What are the services provided by the division?

At ISD, we provide a comprehensive suite of IT management services. At the core of this portfolio is our a unique global delivery model of Remote IT Infrastructure Management (RIM) that enables global customer organisations to achieve superior infrastructure performance and significantly reduced costs.

Our suite of proactive, 24x7 infrastructure management services delivered through a combination of automated tools and processes enables organisations to build and maintain a technology infrastructure that is scalable, reliable, cost-effective and easily adaptable to dynamic business requirements.

Enterprises can out-task some or all of their infrastructure elements to increase their availability, performance, and security while reducing overall IT operations cost, and simplifying timely migration to new technologies.

According to some reliable projections, about 25 to 28 per cent of the global IT infrastructure will be managed through the RIM model by 2013.

#### What are the benefits of this system?

Historically, infrastructure has been managed by people sitting around the physical facilities. But that was not a robust model for big enterprises distributed globally. One could not bring about the advantage of scale, size and best practices in such a scenario.

With RIM we have been able to extend many benefits to our customers. Firstly, we have been able to provide increased customer satisfaction as a result of shift from reactive to proactive management through increased automation and reduced human intervention, measurable metrics to track service levels, real time control and visibility into the operations through reporting portals. Secondly, we ensure 24 x 7 "follow the sun" coverage and global footprint. Thirdly, we provide high quality technology, people and processes defined by ITIL (IT Infrastructure Library), which ensure faster problem resolution. Last but not the least, with our co-sourcing model, enterprises have an option of outsourcing a specific function, several functions or entering the engagement in phases. This provides clients greater scalability and cost predictability making companies more agile and competitive.

#### Where are HCL's hubs located and how is the operation run?

The company's major hubs are in India. We manage enterprises globally from 12-plus countries. The delivery model is a blend of onshore, nearshore and remote locations. Depending on the technology, we could have 60 to 90 percent remote operation.

#### What is your outlook for the Gulf market?

We believe that the Gulf region will need these services because historically this is a region where businesses have invested heavily in the IT infrastructure. But, to my mind, the mindset to have a services-led approach is yet to develop. So, this is the right time to bring these services to this market because the businesses are growing so fast here. They need to be globally competitive and hence they need to have the infrastructure in which they have invested run as per global standards and processes.

We hope to achieve annual revenue of \$100 million from this region in three years.

#### What types of customers will you target in the Gulf?

We will have a dual approach. Initially, we will be targeting the medium and large enterprises and will work with partners, who will in turn provide services to the small and medium sectors.

#### What are the market segments HCL will focus in the region?

Financial Services, Telecom, Retail and Government sectors are the major areas which we will be targeting. We are also keen on the intelligent building segment of the Real Estate sector.

**How important is the Gulf market for you?**

I would say it is important. We would not enter a market if we are not serious. We see GCC region as a growth lever for us and we are committed to it.

**What is your take on the technology absorption in the Gulf region?**

The region is good in technology adoption, quick to understand, accept and invest in new models/technologies that have a potential to significantly impact the economy and businesses. However, I think the one big thing that is missing is the 'service' attitude for this whole investment. This is the situation in many other regions as well. We would like to see a major change in this scenario.

**How will you address the skills shortage issue?**

This is a fundamental point. The traditional way is to move people around from one place to another to get jobs done. This is not a sustainable model anymore. Which brings me to HCL's new revolutionary model called 'Glocal'. In the 'Glocal' framework, services can be delivered without moving from the hub, whether it's in India or anywhere else. Workers could sit in India and very much participate and collaborate in delivering the required service in any part of the world. At the same time, some local input is necessary to complete the framework and there will be a continuous knowledge transfer back and forth.

So, we will be taking advantage of the countries where knowledge workers are available to offer services remotely to other parts of the world.

HCL Technologies Infrastructure Services Division (ISD) now employs 6,000 staff spread across the world.

**What will be the impact of a likely US recession to your company?**

You cannot switch off IT just because you have a recession. Infact in a recession scenario companies will look for more cost-effective ways of running their operations and it is likely to bring more business to our specific Glocal business model. -TradeArabia News Service