



"Our vision is whichever area we focus on, ultimately in the minds of our clients we should be the first choice"

Arvind Thakur  
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# "OUR BASIC DIRECTION IS TO BECOME THE FIRST CHOICE FOR OUR CUSTOMERS"

**N** IIT started as a training company, a youth education company, and slowly shifted to software and service areas. How did this transition happen and what were the ideas behind it?

NIIT was founded in 1982 and we have come a long way since then. Now NIIT is a well known name in the market for its education, training and software services as well. We started primarily as an education and training company but gradually expanded into consulting and software system integration. It was a kind of natural evolution from training to software and consulting.

The 80s was the time of bundled software solutions. The hardware vendors then gave software solutions packaged with the hardware and thus people were not aware as well as did not put any value to software alone. We were the first to offer software products in the country in late 80s. We came with products like Focus, Cybiz and the whole range of other products that we were distributing across the country. But, it was difficult to do so in a market dominated by packaged solutions and software.

Through the 90s as the software exports activity started picking up in the country and NIIT made several other key contributions to the software industry and its development. One thing that was absolutely important for us to do when we started doing software, was to have strong processes because we were going to be building software with relatively inexperienced people, straight from school. So, we adopted the engineering principles that were there in the software factories. We were one of the first to embrace the frameworks that the industry uses. Our facility was one of the two in 1993 that was certified ISO 9000. By 1995, we were assessed at level 3 at CMM and in 1997 at level 5. At that time we were the 12th organisation globally to be assessed at level 5.

Predominantly, NIIT has been viewed as an education and training company. The reason why NIIT has been viewed as an education and training company is

**Arvind Thakur** is the Chief Executive Officer of NIIT Technologies Ltd, a global IT Services Organization, headquartered in New Delhi, India, and serves as the Joint Managing Director on its board. He has lead the business to the category of top software providers in select industry segments with global operations spanning across North America, Europe, Asia and Australia. . Since the segregation of NIIT in 2004 into NIIT Technologies and NIIT Limited, the former has made its place in a market dominated by the big players. Talking about the key government verticals and the scope of IT in governance over the next decade, Arvind Thakur reveals the NIIT story and shares the future plans in a conversation with **Ravi Gupta**, Chief Editor, eGov.





### What are the new verticals that NIIT has debuted in through the past years and how did the transitions come along?

NIIT decided to move into training areas that were other than IT like sales training, insurance training, and banking training- all kinds of other training activities after the year 2000. We started looking at divisionalising and segregating our business. In 2004, we demerged the company into two companies- NIIT Technologies Limited which focused on IT services and NIIT Limited which continued education and training.

Post the segregation in 2004, we were just another mid-sized IT services organisation. A good part of our software work that we were doing when we were a part of IT, was in the area of education technology- computer-based training. That was left behind in NIIT Ltd because they are the education sector. NIIT Technologies was a mid-sized, somewhat undifferentiated IT

verticals and secondly each one of these verticals had enough headroom for growth. So during 2004-08 we focused our energies in building specialisation in these 3 areas and exited from other areas. We had a clear strategy to focus and differentiate.

In 2008 the slowdown came and some of the industries segments that we were focusing on for example, financial sector were responsible for the slowdown. So that is when we had to again relook at our business and embark on a next phase of transformation. Segments that we had focused on were fairly challenged. We had to look to newer segments which were less challenged. One of the segments that we had embraced on was the government vertical. Our government business, unlike the other industry segments is not a global business. Financial services, travel, distribution are global practices. We do business in USA, Europe, Asia and Australia. But our government business is only in Asia because in every country federal busi-

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because that's a consumer business and lot of communication in mass media is on education whereas software system relation is across the table. So we actually built a software business by virtues of the fact that our model was on teaching hospital model. The focus of the organisation was on current and emerging technologies. We don't teach old things especially in IT. So we grew a software business on the back of e-Commerce boom because it was current, new and our entire technical workforce was oriented towards new technologies. So, in our software business we did not create any legacy capability.

services company of about 100 million dollars. The landscape was dominated by scale players. It became clear that if we want to scale, survive, and make a mark for ourselves we needed to build strong specialisation in our business. So we moved into a next level of transformation.

When we demerged, we brought in a very sharp vertical focus into our business. We decided to focus on three industry segments- financial services, travel and transport, and retail distribution. We chose only three because of two simple reasons firstly, almost 50 percent of clients that we had were in these three

ness is very different. By virtue of our position and brand equity we found lot of traction in government business in this part of the world. So in India, Singapore, Australia we got lot of government business, as our brand is well known in these segments. This was one new focus that we had in our business which actually is now moving exponentially, mainly because the government is using technology very seriously in its programmes where it is looking at inclusive economic growth.

In government vertical also, we had to choose since we want to be established as a specialist organisation. Our basic

direction is to become the first choice for our customers wherever we foray and thus specialisation is indispensable. For example, in government business the one area where we are focusing currently is Geographic Information System (GIS) and whenever people think of GIS they think of NIIT.

**How is GIS as a vertical fairing for NIIT? How did you foray into it?**

We have been in this business now for almost over 10 years. During the early days when we were looking at current and emerging technologies, one of the emerging technologies was GIS. Today it is mainstay. We built a relationship with Environmental Systems Research Institute (ESRI) which is run by Jack Dangermond. He found lot of synergy in our education activities to promote the concept of GIS. We were able to leverage that capability to evangelise GIS. Because it was such a specialised activity we created a separate entity called NIIT-GIS and the dynamics, marketplace, skill sets, kind of people and almost everything was different. It was about 12-13 years ago. So all those investments in that capability is now becoming very relevant. Our vision is whichever area we focus on, ultimately in the minds of our clients we should be the first choice. In GIS per se, we work with everybody, but for big turnkey engagements we have identified four key focus areas: Internal Security, Defence, GIS and Railways.

NIIT has recently announced entering the health sector. Is it one of the newly identified potential markets? Shed some light on it.

Healthcare sector was identified as a lucrative space not only because there was no strong player in that sector, but also because this is the place where there are a lot of discontinuities which in turn create opportunities.


In USA, Obama's healthcare reforms have spurned some issues because he is bringing a very fundamental change. He has changed the whole concept of healthcare and the entity at the centre now is the patients, not the insurance companies or the insurance payers.

**"THROUGH THE 90s AS THE SOFTWARE EXPORTS ACTIVITY STARTED PICKING UP IN THE COUNTRY AND NIIT MADE SEVERAL OTHER KEY CONTRIBUTIONS TO THE SOFTWARE INDUSTRY AND ITS DEVELOPMENT. ONE THING THAT WAS ABSOLUTELY IMPORTANT FOR US TO DO WHEN WE STARTED DOING SOFTWARE, WAS TO HAVE STRONG PROCESSES"**

Obama stated that if a patient requires care he must get it whether he has the insurance policy or not. That is a huge discontinuity where systems, processes, regulations everything is going to change. It is a huge opportunity for us. Most of the providers are focused on the payers because traditionally insurance companies have had the control. So, all the big players have big customers whereas with the action shifting to the patients, focus is now on the providers- hospitals, doctors and all. We are beginning our activity on the provider sector. Soon, we will be announcing few innovative solutions in that space.

**How would you foresee the next decade for the partnership of government and IT?**

The current government has a great appreciation for technology as an enabler for inclusive growth. The country is facing big challenges, one of them is financial inclusion. Fundamental requirement for economic growth is to be able to have access to capital. So, using technology to reach out is beginning to happen. The whole area of micro-finance, rural financing, rural banking is phenomenal and is going to explode in the next decade. Backbone to some of these programmes is UIDAI which is being put into place. The other area which is huge is healthcare. Basic healthcare is not available in rural parts. The technology is a great enabler. You can do consultations in remote locations with experienced doctors and all that requires infrastructure, investment, technology etc. We are already beginning to see some states/organisations moving in that direction of healthcare.

The other is education. The single retardant to economic prosperity in this country lies in the employability of people. You may have the largest population but if that population is not employable, it only means they are not educated. So instead of becoming an asset, they will become a liability. To my mind this is a priority. Again, technology has a great role to play. All this requires infrastructure which is what the government is investing in. 

**You have built your strength in Singapore, are you also looking at foraying into the government verticals in other countries?**

We are going to be in Asia because we don't have a presence and mindshare in USA or Europe in government sphere. Federal government market is not what we are focusing on. We have enough to do in Asia and India. We are quite happy focusing on this part of the world. Singapore, on the other hand, is a different story. Singapore is more mature market. If you look at Singapore government, it operates like corporate organisations. That level of maturity if we compare to other environments is very different. But we do much more business in India than in Singapore in the government. India is the action spot.

**GETTING PERSONAL**

- DATE OF BIRTH**  
17 FEB 1955
- EDUCATION**  
B TECH (Hons) - IIT Kharagpur, PGDIE -NITIE Mumbai
- RECOGNITION**  
Ranked 1st in the Dept of Mining Engineering at IIT Kharagpur
- PASSION**  
Golf
- KEY STRENGTHS**  
Calm and composed
- FAVORITE PASTIME**  
Relaxing with his dogs
- FAVORITE GADGET**  
Apple iPad
- #1 MANAGEMENT TIP**  
Create a superior vision
- FITNESS MANTRA**  
Workout in a gym at least 3 times a week