

NIIT Tech partners Hitachi to offer pay-per-use services

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NEW DELHI: NIIT Technologies on Wednesday tied up with Japanese firm Hitachi Information Services to offer 'pay-per-use' software services to companies that will drive down the cost for both the vendors as well as customers. The service that relies on cloud computing model is being seen as the next trend of software services delivery, which does not need huge manpower thereby driving down costs for both parties, NIIT Tech CEO Arvind Thakur said.

It will be operational in the first quarter of next fiscal and the revenue will start reflecting during the fourth quarter. Both the companies have entered into a revenue sharing agreement under which Hitachi will own the cloud (Internet based infrastructure), while NIIT will operate it.

The companies, however, did not give the details about the revenue sharing model. NIIT Tech already uses non-linear growth model, which needs less manpower, and cloud computing is part of that strategy.

"Currently, we are getting 25 per cent of revenue from non-linear services and by 2012 we expect 40 per cent from non-linear services," he said, adding, "In the current fiscal we are expecting 28 per cent revenue from such services".

For the current venture with Hitachi, NIIT Tech has set up a hub in Thailand that will cater to the Asia Pacific market, especially Japanese, where it sees a lot of potential for cloud computing and would leverage Hitachi's clients to begin with.

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