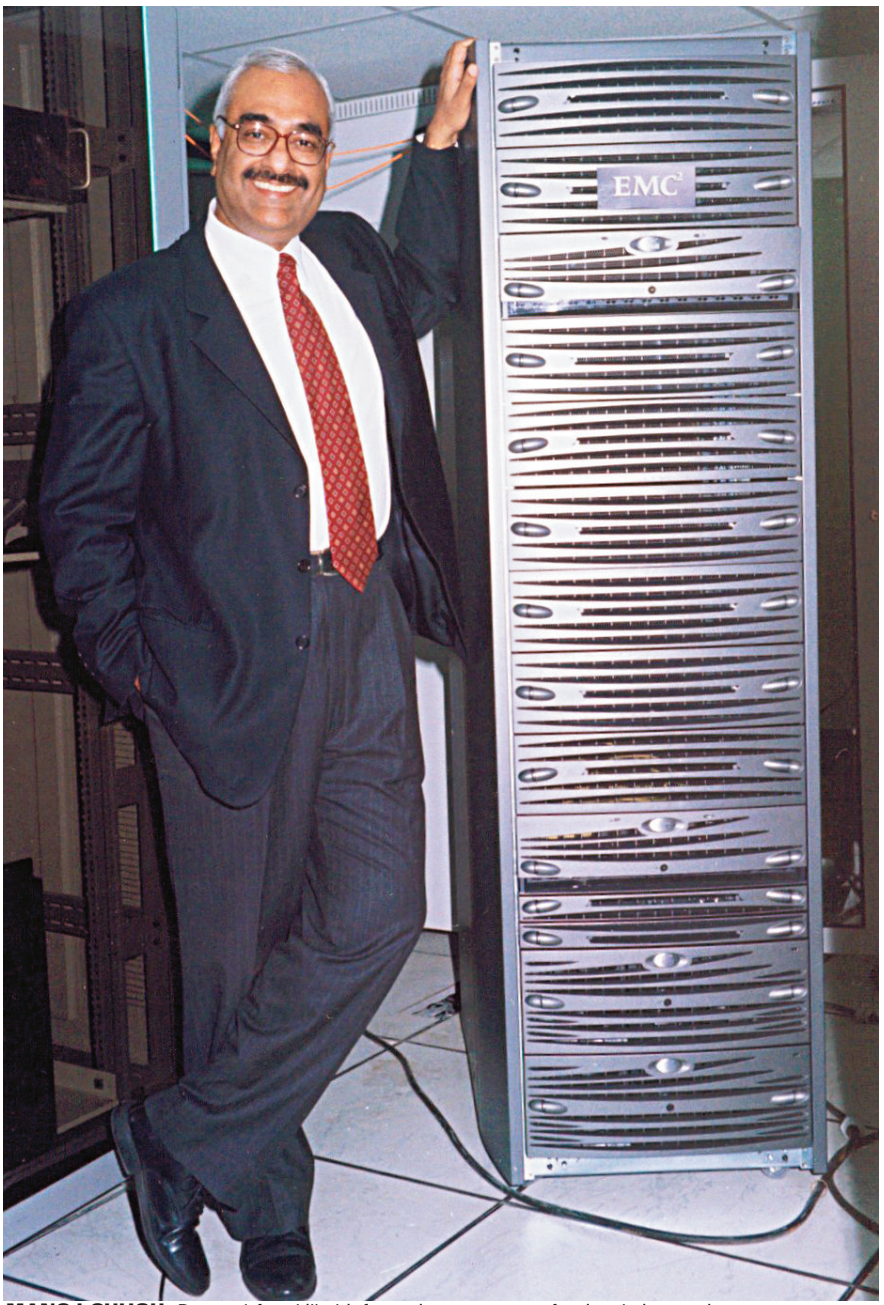
The Learning Curve

EMC Corp is a relative newcomer to India. It has realised very quickly that this is where the action is and will be. A Team **India Now** report.



MANOJ CHUGH: Demand for skilled information storage professionals is growing

Manoj Chugh is going back to school. No, the high-profile president of EMC (India and the SAARC region) is not planning to attend an executive development programme at one of India's burgeoning management schools. He doesn't have the time for that. What he is doing instead is pioneering an information storage education programme in India.

In April 2006, an agreement was signed with the Delhi College of Engineering (DCE), under which DCE will start offering these courses from July 2006. Delhi Chief Minister Sheila Dikshit flagged off the collaboration.

"This agreement with EMC will enable DCE students to learn about information storage and management, the fastest growing segment of the IT industry," says DCE Principal P.B. Sharma. Echoes Chugh: "EMC plans to sign up 50 institutions in this programme by the end of 2006, so that our students are ready to contribute to

TIE-UP: Delhi Chief Minister Sheila Dikshit with Prof. Sharma, Manoj Chugh, and Prakash Kumar, Secretary, IT and Training & Technical Education, Delhi Government, at the function where an agreement was signed between EMC and the Delhi College of Engineering

one of the fastest growing segments in the IT industry. Increasingly, Indian organisations want to build an intelligent information infrastructure. They need access to a large pool of skilled information management and storage professionals. The estimated global demand for skilled information storage and management professionals is 7.5 million by 2007."

EMC is best placed to catalyse the creation of more storage management professionals. The Hopkinton (Massachusetts)-based company is the world leader in the sector. According to a report by market analyst IDC, EMC had a 20.7 per cent share in the $16 billion global external disk storage systems market in 2005. It was followed by HP, IBM and Dell. In storage software, EMC topped with 29.7 per cent, with Symantec (20.3 per cent) and IBM (10.5 per cent) keeping it company at the top.

In India too, EMC is the market leader. According to recent figures by market analyst Gartner, EMC has a 21.4 per cent share of the Indian ECB (external controller-based) storage market. Next is Hewlett-Packard (HP; 20.9 per cent), followed by IBM (18 per cent). The others in the fray include Network Appliance, Sun Microsystems, Dell and Hitachi.

It hasn't been a very easy journey to the top and it will take some doing to stay there. Unlike, say, IBM which has been in this country for several decades, EMC is a new kid on the block. In 2000, it had two employees. That number was up to 1,000 at the end of 2005 (see table).

Chugh took charge at EMC in 2003 (he was earlier president of Cisco Systems in India). He inherited a 2.9 per cent market share (2002 figures). HP ruled the roost with a 43.1 per cent share. If EMC were to go places, it needed money. Chugh roped in his colleagues in Asia, who could see the India market unfolding. Hopkinton, too, saw the light soon. Later in 2003, EMC announced that it would pump in $100 million for its Indian operations over the next five years. "It was a victory for the India story," says Chugh. There was more to come. In February 2005, EMC announced that it would be investing an additional $150 million.

The first tranche has gone largely for a software development and support centre in Bangalore. Inaugurating the centre last year, William J. Teuber Jr, executive vice-president and chief financial officer of EMC Corp, said: "With 60 per cent of IT spend-

Employee strength at EMC India

Year	
2000	3
2001	9
2002	21
2003	114
2004	632
2005	1000
2006*	1300

Figures at year end * Estimates Source: Dataquest, India Now estimates

EMC India's Revenues

Year	Revenue*	Growth Rate(%)
2002-03	3.7	
2003-04	25.3	571
2004-05	38.9	54
2005-06	54.4	40

* $ million Revenue in the earlier years is negligible
Source: Dataquest, India Now estimates

THE STORAGE LEXICON

Information storage is being increasingly recognised as a resource in its own right, and not merely as a peripheral device. In the past, Direct Attached Storage (DAS) was physically connected to the specific server that used it. DAS is the term used to describe a storage device that is directly attached to a host system. The simplest example of DAS is the internal hard drive of a server computer.

Today, organisations want all their servers to be able to share the same storage resources. This is done by creating a second network that connects the servers to shared storage at the device level. In other words, networked storage. Network storage is a generic term used to describe network-based data storage. But there are many technologies within it.

Network Attached Storage, or NAS, is a data storage mechanism that uses special devices connected directly to the network media. These devices are assigned an IP address and can then be accessed by clients via a server that acts as a gateway to the data, or in some cases allows the device to be accessed directly by the clients without an intermediary.

Storage Area Network (SAN) is a network of storage devices that are connected to each other and to a server, or a cluster of servers, which act as an access point to the SAN.

Content Addressed Storage (CAS) represents more than 70 per cent of the world's newly-created data -- and predominantly stored in offline formats today.

Organisations in India have tended to invest in DAS leading to the creation of stovepipe architecture over time. Catalysed by the growth of IT applications today, we are seeing an increased shift away from DAS to Networked Storage (SAN, NAS and CAS).

ing coming from outside the US and only around 40 per cent of EMC's total revenues coming from the international markets, we are focused on increasing our international business to represent half of our revenues over the next few years."

"India is a strategic market for EMC and among a handful of geographies that are right there at the top of the radar screen in EMC's corporate and Asia Pacific headquarters," says Steve Fitz, president of EMC Asia Pacific & Japan, and senior vice-president of EMC Corporation. "Not only is India one of the fastest growing markets for information storage in the world, it has also grown into a cornerstone of our global software development and support infrastructure. EMC continues to see India as a land of opportunity and we are committed to investing here over the long term." Adds Steve Coad, EMC General Manager South Asia: "India is absolutely critical to our future plans." It's the software development centre that gives weight to such statements. It is the largest such facility outside North America.

Chugh's strategy to grow the market in India has four key areas. "This consists of investing in people, products, the partner network in India, and support and development of EMC products," says he.

Bangalore, along with other solutions centres, is in the support and development role. The partner locations are growing apace; at the end of 2005, they stood at 26. The number of products on offer has been vastly increased. And the distribution channels have been revamped. One key initiative has been the Velocity Resellers programme, which is also making forays into new markets.

Training is a big thing at EMC. That's not only for its own staff. Partners and customers have to be educated too.

What makes EMC different from the other providers of storage is, says Chugh, the fact that "we are server agnostic." IBM, HP and Sun sell servers too. So their storage comes packaged with that. EMC does not sell servers. So its wares can go along with any other company's products. That's both an opportunity and a problem. Customers tend to treat storage as a part of the servers they buy. They don't shop around for the best. "That's changing, however," says Chugh. "Storage is being increasingly recognised as an area where you must take an independent buying decision."

What is storage all about and why is it important? It basically involves keeping data safely (see box). There's the obvious need to protect the knowledge base of a company. Today, there are additional imperatives. Disaster recovery and email management have moved up the list. "If an organisation loses all its archived information, it becomes a headless chicken," says Chugh. In India, demand for storage is also likely to be catalysed by new laws on data protection that are on the anvil, the requirements and demands of the Right to Information Act and the increasing need for greater oversight in all aspects of corporate life.

EMC hopes to ride all that to bigger things. The company recorded a $54 million turnover in 2005-06 (these are industry and India Now estimates; the company does not release its figures). A quantum jump could come if it begins making its wares in this country.

But EMC has no plans today to set up a manufacturing base in India; all its needs are sourced from Ireland. But as the market here explodes, you can't rule it out. It may seem unlikely today, but the future could well see Chugh going back to Hopkinton, hat in hand. Don't be surprised if he comes back with several million dollars more - for a manufacturing plant.

On the Web
EMC India: http://india.emc.com/