

# E-Connect Solutions



We expect e-governance to garner huge revenues say **Jaimin Patel & Manoj Aggarwal** of E-Connect

**S**MALL CITIES are often perceived to be markets with limited opportunities for IT solution providers. But there are companies that have proven this wrong. E-Connect Solutions, a Udaipur-based SI, in fact exemplifies the growth of IT solution markets in these smaller cities in India. The company founded in 1989 by two childhood friends – Manoj

Aggarwal and Jaimin Patel – today is a leading player in the market with a country-wide presence.

When E-Connect began its operations, it only had 3 employees, including its two founders. Today, it has close to 400 employees with a rich portfolio to offer to its huge base of customers. Jaimin Patel, Director of the company recalls, “Manoj Aggarwal, our MD, was handling the

technical aspect and I was managing the marketing requirements of the company. We hired one more employee to help us. It was an huge challenge, but we had immense faith in what we were doing and our self-belief kept us going. Today we are doing business across India and has vast customer base that extends beyond the borders of the country.”

It was however not an overnight transition for E-Connect. After graduating as engineer, Patel joined a textile company and Aggarwal's father started a television manufacturing business for his son. But the zeal to start a business was so strong that the two set out to begin a new journey. Aggarwal proposed the idea of doing software business and Patel managed to get the first order, which was worth Rs 40000 and was from Bajaj Seva Ashram.

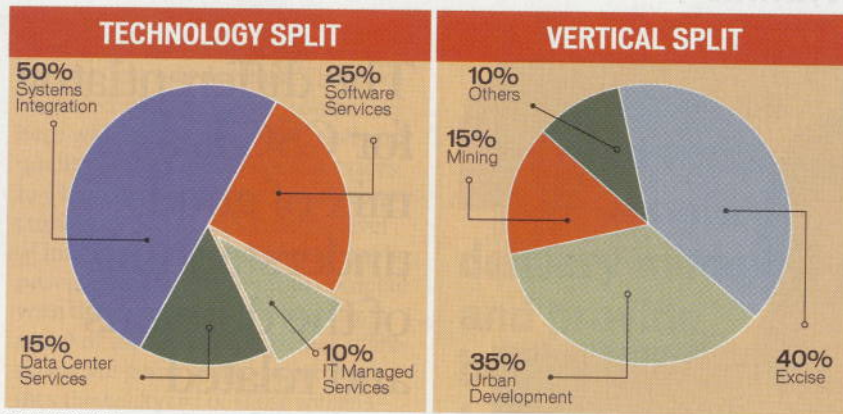
Though tier-2 and tier-3 cities are gradually becoming matured IT markets now, the picture was completely different in the late 80's. Patel says it was not an easy job to set up a software business in a small city and it was even tougher to have a country-wide presence. But they were ready to face the challenge and decided to have their headquarters in Udaipur. “If we had moved out of Udaipur to a metro city in early 90s, we would have earned more than what we actually did. But our emotional attachments with Udaipur stopped us. Initially it was a restricting factor for us but soon we realized the demand was growing. We studied the market well and slowly evolved,” adds Patel.

Between the mid 90s and early noughties, the company's focus was more on systems integration along with LAN solutions. It also ventured into retail in 1997 with selling products of Compaq. But opening retail was ahead of its time, and therefore this business model did not succeed.

## IN SMALL SEA WITH BIG FISHES

Invasion of MNCs into the market was another big challenge for the company. It drove them into ‘number game’. Patel says that it was almost

Photograph by FOTOCORP



SOURCE: E-CONNECT

impossible to compete with those big companies and still survive. "After 2008, a lot of big brands started focusing on smaller cities. Many of them, like Infosys, Tech Mahindra, TCS and others took away a lot of projects merely because of their brand value," adds Patel.

But the company managed to deal with this crisis by adopting a very different approach. "While big brands come with better muscle and money power, we believe that we have our own space and strengths. So it's difficult for them and the customers to bypass us as we have successful track record and the experience of being in this market for a long time," Patel adds.

The company found a new opportunity with its competitors as well. It decided to join hands with these large SIs and create a win-win situation for both. Today, E-Connect has partnership with companies like L&T, Schneider, Rockwell, Tata, Honeywell and a few others who are into automation business. These giants bag large automation projects and outsource the IT part of it to E-Connect. The company works jointly with them right from the bidding state.

### SUCCESS WITH GOVERNMENT

In 2002, the company started focusing on providing turn-key solutions to its customers and also started targeting opportunities in the government sector. Government sector opened up new avenues for E-Connect. Technology adoption in public sector, according to Patel, is still at nascent stage in India. "But we found good opportunity in helping the government in getting their systems computerized," says Patel.

They started by venturing into urban development sector and Urban Improvement Trust in different districts of Rajasthan. Currently the company is the application provider for 184 municipalities of Rajasthan. It marketed the same solution to the other states as well.

E-Governance projects are a huge stream of revenue for the company today, though most of these projects have long sales circles and complex processes to go through. The first order in this space was from Rajasthan State Excise Department in 2003, which further architected a success

model for the company. "It was a path changing move. They only had a limited budget to buy hardware. But we convinced the government to get some applications developed. The idea was approved and that's how we entered into the e-governance space when very few people accepted it."

The company applied these learnings to new markets and bagged more deals from other states as well by replicating the same model. Patel informs, "E-governance projects brought huge success to us. We are also talking to Maharashtra and Goa governments and two projects are already running on PPP model in Uttrakhand and Punjab."

Starting business with mining industry in 2007 became another success story for the company. Now States like Maharashtra, Chhattisgarh and Karnataka have shown interest in buying its solutions.

E-Connect is also spreading its wings in the private sector. HRM is another strong domain for E-connect in the corporate sector. The company also has plans to offer this through SaaS model to its customers in the SME and SMB sectors in future. "One of our prestigious customers is Hindustan Zink Company, whose entire HR system of 7000 employees is completely managed by us as single central portal," adds Patel.

## Snapshot

**Year of Foundation:** 1990

**Headquarter:** Udaipur

**Business Activities:** E-Governance, Systems Integration, Managed IT Services, E-Business Solutions

**Key Executives:** M.K. Agarwal, Chairman, Manoj Agarwal, MD, Jain Patel, Director, P. K. Awasthi, VP, Ruby Agarwal, Administration

**Branches:** Kota, Jaipur, Jodhpur, Navi Mumbai, Dehradun, Bikaner, Goa, Delhi, Jalandhar, Jhunjhunu, Amritsar and Uttrakhand.

**Principals:** Oracle, HP, Microsoft, CISCO, D - Link

**Revenue 2009-10:** Rs. 17 Crore

**Revenue 2010-11:** Rs. 22 Crore

**Website:** www.e-connectsolutions.com

### BUOYANT FUTURE

The company has branches in various districts of Rajasthan including Kota, Bikaner and Jaipur. With branch offices in Delhi and Mumbai it also has project offices in Amritsar, Jalandhar, Chandigarh and other cities of Punjab. However, Patel and Aggawal have no plans to rest on their laurels.

Patel says, "This year we are trying to grow further. We have invested hugely in developing our infrastructure in Udaipur IT Park."

The company is planning to bring in senior professionals to its management team. "We expect that e-governance projects to bring in a lot of money for us and would drive at least 65 percent of our top line. Our goal is to be a Rs 55 Crore company by end of this fiscal year," concludes a confident Patel. ■

— Kartik Sharma