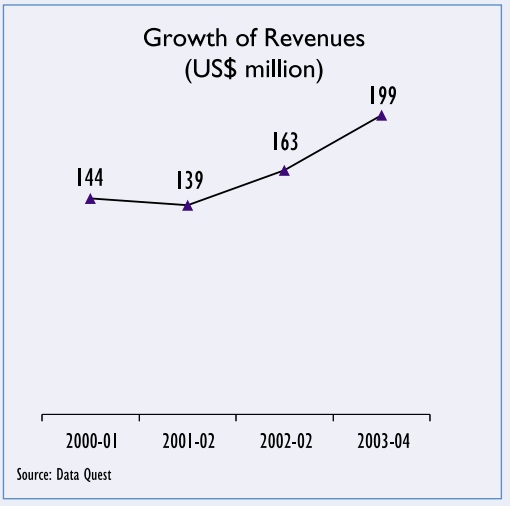
MICROSOFT CORPORATION INDIA PVT. LTD.

Background

Microsoft Corporation India Private Limited is a subsidiary of Microsoft Corporation USA, and has had a presence in India since 1990. Headquartered in New Delhi, the key focus areas for the Company in India include market development through strategic partnerships and local alliances, e-governance, education, product localisation and developer community growth. Through its partnerships with ISVs and solution providers, Microsoft also adds value to vertical markets including banking, finance, manufacturing and ISPs. Microsoft has also invested in development efforts in India through its India Development Centre (IDC) established in Hyderabad.

Microsoft has four distinct business units in India; the Sales and Marketing Subsidiary, the Global Delivery Centre, the India Development Centre in Hyderabad and the Global Support Centre in Bangalore. Microsoft India has two major channels of distribution: channels and original equipment manufacturers (OEMs). The company operates through a strong network of 4,000 resellers spread across the country. In addition, the company provides support and services to its Indian customers locally, through its several offices across the country.



- The revenues in FY-04 touched US$ 199 million
- 95 per cent of the revenues are from the domestic market

Market leader in software applications

Microsoft has grown at a compounded annual growth rate (CAGR) of 45 per cent in the Indian market during 1999-2004. This is despite the fact that the piracy levels in the market are high.

Microsoft enjoys a share of 60 per cent in all software applications in the market.

Awards won by the company in India

- Microsoft's Windows Services for Unix 3.0 (SFU3.0), developed at its India Development Centre (in Hyderabad), bagged the 'Best System Integration Software' award at the Linux World Conference in New York
- Microsoft India received the Top Packaged

Software Company honour - Dataquest 2003

- MNC Brand of the Year and Product of the Year (Windows Server 2003) – PCQuest Users' Choice Awards 2003
- Number 1 most admired company in India across industries by Business Today – Cirrus in 2003

Factors for success

Partnering India with strong parental support

Microsoft is the world's largest software firm with 50,000 people working in 78 countries and revenues of over US$ 37 billion. The parent company has rendered strong support in further strengthening of the Indian operations. Key highlights of this focus are:

- Microsoft India is recognised as a vital growth point in Microsoft's global game plan. This is demonstrated by the frequent India visits by senior executives
- Microsoft is working on sharing of the Windows source code with key customers in India
- Microsoft has partnered with Indian IT majors like Satyam and Mastek to develop software products jointly in association with a dedicated architectural advisor from Microsoft, Redmond

Wide range of innovative and user friendly products

Microsoft offers its customers (large, medium and small businesses) a depth and breadth of products and solutions to cater to their unique requirements. With special emphasis on the home segment, Microsoft continues to have a wide array of software as well as hardware options.

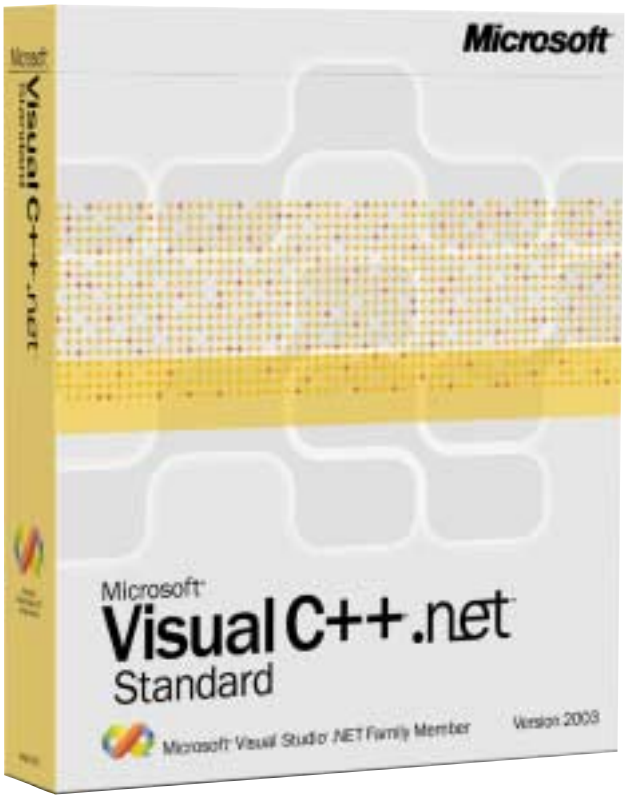
India-focused strategies

Microsoft's India strategy is aimed at garnering long-term business growth and a firm market share in the country. Key highlights are:

- Emphasis on localisation: In 2003, Microsoft launched Project Bhasha in India – a collaborative program aimed at accelerating local language computing in India wherein Microsoft focuses on product localisation (Microsoft Windows and Office interfaces to be available in 14 regional languages), government collaborations, academia/developer integration and building a local language IT ecosystem through community/industry participation.
- Microsoft works closely with the central and state governments as a technology provider and consultant for e-governance, helping develop technology blueprints for roll-out of citizen-centric services. Microsoft has MoUs with 12 state governments with more than 150 e-governance applications deployed on the Windows platform

Marketing strategy

Microsoft is active in organising various workshops and seminars on IT education besides school level programs like Campus Challenge Quizzes to promote IT awareness amongst people. Microsoft is involved in encouraging various social activities in the country.



Developing the market potential

Microsoft launched an array of academic programs to increase IT awareness among people, thereby increasing the market potential.

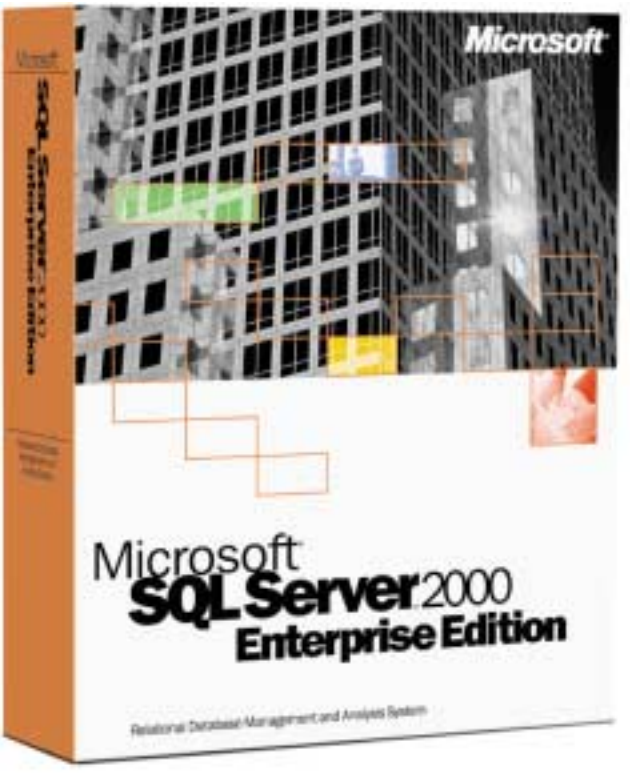
- Partners-in-Learning Initiative: This program is geared to deliver comprehensive IT curriculum development and training for teachers and students in addition to greater access to the latest computer technologies. 'Project Shiksha' aims to accelerate computer literacy in the country to over 80,000 school teachers and 3.5 million students across schools over the next 3 years. In addition, Microsoft provides scholarships to students and teachers. For this, the company has partnered with state governments, NGOs and other organisations
- Microsoft training and certification initiatives: The program was launched to train high quality professionals who implement Microsoft technologies. About 150,000 are certified as 'Microsoft Certified Professionals', the second highest in the world.
- Microsoft Academic Developer Program: The program targets technical and engineering colleges and aims at creating a future-ready, skilled developer community.
- Microsoft University Relations Program: The Indian Institute of Information Technology (IIIT), Hyderabad was established in collaboration with Microsoft Corporation and has recently received a grant of US$ 250,000 from the parent company

Leveraging the India Advantage

India as a resource base

The parent company actively involves the Indian subsidiary in global projects. Many global products have been developed using India's IT talent pool. Recent highlights:

- A team of 120 developers in Redmond worked closely with Microsoft's Indian partners on the localisation of Microsoft's flagship offerings in major Indian languages
- Microsoft India Development Centre at Hyderabad is Microsoft's second software development centre outside the US with around 250 professionals. This centre developed Version 3.0 of its Services for UNIX (SFU 3.0)



Future plans

With successful performance in the country, Microsoft plans to further strengthen its India presence:

- Planning to set up a US$ 35 million R&D facility spread across 42.3 acres in Hyderabad
- Plans to collaborate with the central and state governments and NGOs for rolling out the Project Shiksha programme, which will focus on technology skill training, curriculum development and technical education
- Microsoft India has signed an agreement with the Andhra Pradesh government for a project to make 400,000 students and 200,000 teachers in the state IT-literate over the next five years
- To promote local language computing, Microsoft plans to set up five Centres of Excellence for localisation across the country
- Plans to increase the number of staff at its software development centre in Hyderabad from 200 to around 500 by 2005