The Journey from Product to Solution

We are living in The Information Age. The radical shift is happening from traditional Industries to informative industries. Applications are shifting curve from Desktop device to mobile device. People need access to information from anywhere and at any time. With these changes happening all around, demands of people are also witnessing a paradigm shift. Not only the demand of common mass but also the business needs are changing. The consumer wants their needs to be addressed in better and quicker way. They now look for an overall solution rather than multiple products for their business complexities. Moreover, consumers also expect a solution provider to become their business advisor.

Emergence of Solution Providers

In recent times, a major change in customer behavior has been observed while adopting technology. Previously the customers concentrated on technology or services for a particular problem they face in their business. But it is due to the evolving economic environment that the customers are looking for a single solution for multiple problems.

“The focus of customers has now shifted to “outcome”. They need outward looking solutions that give them the real results.”

Vikram Dham
MD & CEO,
Emkor Solutions Ltd.

Devendra Taneja
Director,
PC Solutions Pvt. Ltd

“...In order to cater to the demand of customers, System Integrators are today forced to change their business model. It’s more to do with the survival rather than anything else.”

Kshitij M Kotak
Managing Director, Fortune Grecells Pvt. Ltd.

“Maintaining margins were unsustainable and have been bleeding IT service providers since long and recent tsunami of deep discounts on e-commerce goliaths have washed away staple business of reselling computer hardware.”

INDUSTRY WATCH
Modern day businesses face several challenges and to meet those, customers seek a technology partner who can address the pain points and offer multiple solutions under one umbrella.

Now, we are in that phase where IT needs to give back value additions to business or help them achieve more against their respective competition which leads to the need of complex business solution. These business requirements generally are not fulfilled by one single tool / product. System Integrators may have to create a solution which requires a combination of tools / products and sometimes customized solutions as well. Solution partner with his expertise and skills can propose the same effectively.

“This approach is a win-win proposition for both the IT solution provider and their customer. ”

CTO are caught into dilemma of addressing business demand with limited budget or budget carved out of opex expenditure. This has pushed them to seek Partners who are technically sound, have deployed similar projects, flexible and commercially viable.

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“Organisations of today seek IT vendors that come as dependable “IT Consultative Approach” aka Business Advisors/ Business Consultants. ”

"Maintaining margins were unsustainable and have been bleeding IT service providers since long and recent tsunami of deep discounts on Flipkart, Amazon and other e-commerce goliaths have washed away staple business of reselling computer hardware."

"With solution your different services will also go along which will make you remain competitive."

"Customer’s budget is limited, they want partner who can address their issue with some smart solution using newer upcoming technologies with competitive pricing. If partner companies can meet these expectations they can grow much faster in next 2-3 years than what they grown in last decade,” stated Deepak Jadhav, Director, VDA Infosolutions Pvt. Ltd.

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"Reiterating similar view, Jiten Mehta, Director, Magnamious Systems Pvt Ltd said, “With solution your different services will also go along which will make you remain competitive.”
The approach is helpful for the vendor in keeping his customer glued to him, by acting as the consultant for his business which will be relevant to the business of his customer. 

The next gen solution providers have really moved up the value chain. Instead of asking for solution your different services will also go along which will make you remain profitable can allow you to retain/develop the skills and can remain in the business.

As a Business Advisor

With transforming world, the approach of these solution providers has changed. The next gen solution providers have really moved up the value chain. Instead of asking the problem and the solution that you want, they put forward the complications and their solutions to their customers. Thus, the DNA of solution providers is changing.

System Integrator understands their business challenges and works with a customer not as a vendor/supplier but as a business partner. Customers are relying more and more on system integrators to work with them as business advisors,” said Tarun Seth, Managing Director, Hitachi Systems Micro Clinic Pvt. Ltd.

This approach of Solution Providers to become a Business Advisor helps their customers find more time to focus on their core business strengths than on trivial IT issues.

Organisations of today seek IT vendors that come as dependable “IT Consultative Approach” aka Business Advisors/ Business Consultants. Customers don’t want product sellers or transaction salesmen who are interested in one off sale.

As such we at LDS Infotech take Business Advisor Role when we go to customers, with a bouquet of products, understand customer requirements, and offer a long lasting customer centric solution,” said Amarnath Shetty, Managing Director, LDS Infotech.

For solution providers this is a great news as competition is limited and attaining specialised skillset is difficult and time consuming. Not every box pusher or computer dealer can attain requisite competency. Scalibility too is limited as even with a 100 million investment, this business is not easily and quickly scalable like e-commerce or services virtually guaranteeing solution provider much needed profitability,” said Kshitij M Kotak, Managing Director, Fortune Grecells Pvt. Ltd. 

“To evolve to new realities; System Integrators had to choose areas of growth for them and undertake lots of investments in up-skilling work force. Few who are able to manage strategy, finances, humane capital are seeing enhancement in profitability. Solution centric approach allows more stickiness with the customer due to close proximity of solutions with the customer’s business” reiterated Devendra Taneja, Director, PC Solutions Pvt. Ltd.

Our approach is simple, we take care of three things, one – the headroom for unpredictable growth, two – Sensing the bottleneck and providing resources on demand, three – fast and secure delivery platform.”

With the evolution of technology, role of Solution Providers have also evolved. Rather than just being a technology provider they have grown into an enabler of businesses by offering various products and services according to the needs of their customers. This is not enough, they have moved beyond their capacity and also act as a Business Advisor for their customers. Playing various role at the same time is only the result of neck to neck competition to stay profitable.

From a simple box seller to solution provider and further extending the boundaries as a Business Advisor this portfolio has evolved time and again. In the coming years with changing customer demands and profitability factor will further redefine the role of solution providers so that they can cater to their customers in a much better way... aparna@varindia.com