



RAJ
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PRESIDENT OF ZOHO CORP
(MANAGEENGINE IS A DIVISION
OF ZOHO CORP)

Replacing Legacy

THERE HAVE BEEN A VERY FEW INDIAN IT COMPANIES WHICH HAVE MADE THEIR MARK ON THE GLOBAL LANDSCAPE; ZOHO IS SURELY ONE OF THE ELITE BUNCH. ENTERPRISE CHANNELS MEA TEAM SPOKE TO RAJ SABHLOK, PRESIDENT OF ZOHO CORP (MANAGEENGINE IS A DIVISION OF ZOHO CORP) ABOUT THE POSITIONING, GROWTH AND MARKET PENETRATION OF ZOHO (& MANAGEENGINE) IN THE MIDDLE EAST MARKET.

Q India has been the hub for service providers and development of IT raw materials. So how feasible it is you think to operate an IT company outside India?

Yes, it is undoubtedly true for the fact. But the

situation is evolving. We are recruiting many people and many people from our base are going out to the world and establishing their own set up. India is undoubtedly a very potential country in terms of IT but it has been lagging behind because of the cultural barricades. Till few years back we

had people in our company who hesitated to work for Zoho, just because it was a start-up. But now the scenario is changing. People are open to work in fresh firms and getting more entrepreneurial. We have purchased a huge hectare in Chennai and have expanded our business base. We plan to

have 2500 people there and we anticipate adding 500-600 people annually

How would you like to position Zoho and Manage Engine on the scale of Revenue generation?

We are well into the \$200 million revenue circle. On the Zoho side, we are one of the largest SaaS companies in the world. Manage Engine is gradually becoming one of the fastest growing IT management firms in the world. I would definitely agree to it that in absolute size HP, IBM, etc are big in revenue but when we talk about new revenue and new business happening – Manage Engine competes very well against those types of vendors and we win more times than we lose in new deployments.

Reports have shown that the SaaS market growth is comparatively lower than the infrastructure growth. It's around 19.2% globally, while infrastructure market is growing at a higher rate. What's your take?

I feel that both of them are growing at a good rate. The SaaS market is huge; there are still many companies that are not comfortable with the security aspect. Compared to that we have a great expertise in this field. We are probably one of the most knowledgeable companies in the world in data protection and data privacy. As more and more companies will dwell into this reality, the SaaS market will surely see a surge in its growth percentage with companies accepting private clouds. The US government has made substantial moves to leverage the public cloud. A large organization has claimed that they are going to move to office 360 that is on the public cloud. A perfectly viable alternative that will emerge is the private cloud so that the companies who are very sensitive with their data will be able to host their data on the private cloud and garner benefits from it.

Manage Engine has a number of products and services up its sleeve. How does this help you to address the IT needs of modern organizations?

Our perspective is that there are various layers to the IT infrastructure and we have to provide solutions for each of that layer so we have to manage all the services and solutions ranging from desktops, networks, app servers, mail servers etc. in order to get our arms around the entire infrastructure. Our vow is to ensure that companies can leverage technologies to advance their business. Companies that don't leverage

their technologies are going to be left behind. And our job is to solve the biggest challenge that the companies are facing is to deploy the latest technology to leverage the IT infrastructure of their business. We make it simple for you. What is ironic is that companies do realize the significance of technology but are reluctant to invest in the manpower required for the IT.

What are you plans for the upcoming GISEC?

In this year's edition of GISEC, we are investing a lot as it's a very good event and we are planning to showcase some of our latest security products. We are devising new solutions and may announce new products. We shall offer special training to channel partners and have some offers.

Coming to the product development—you have customized ERPs for SMEs. So do you see any changes in that space?

In the Zoho side, yes, we are emerging as one of the strongest contenders in the market for SME ERP solutions and we help you to sell products, support your clients and build relations with your clients through CRM. We provide everything you need to boost sales, step up productivity and manage all day-to-day activities. For finance we help you by providing Zoho books. So we are right in the market as ERP solution providers.

“OUR JOB IS TO SOLVE THE BIGGEST CHALLENGE THAT THE COMPANIES ARE FACING IS TO DEPLOY THE LATEST TECHNOLOGY TO LEVERAGE THE IT INFRASTRUCTURE OF THEIR BUSINESS. WE MAKE IT SIMPLE FOR YOU.”

Technology has evolved and cloud has helped even the small businesses to rise and better position themselves by using various ERPs and services that were earlier reserved for the deepest pockets. We have garnered so much experience that we are well positioned to address any complex business process and automate it from scratch to success and the lead the way in that.

Can you shed some more light on the journey of Zoho as an ERP service provider?

Zoho is a special company. I would term it as an entirely ERP company because we have devised and innovated it in such a way that it addresses all your problems. When we entered the market we

didn't have the resources to match the likes of IBM and HP, we couldn't have that type of sales and support activities. So all we could do was to build a product that surpasses all others in terms of transparency and user-friendliness.

What are the future plans in terms of investment?

Our first priority would be on security. The second on the list is analytics. We envisage absorbing all the machine data and making it sensible. We just announced the integration of Zoho reports and Service Desk. Service desk captures a lot of ins and outs in IT activities and events and Zoho report is a world class reporting tool that we are offering to our customers which allows them to take the data and analyze, publish, share and collaborate all that data and we want to add more to it.

Are you planning any kind of acquisitions or mergers to bring in more capabilities?

Absolutely not! We have been around for over 2 decades now and we believe in thriving on our own. We are answerable only to our customers and investors and I believe that is the way it should be.

Do you plan to expand your geographical presence?

We don't believe that having branches across the globe helps your business. Geographical difference will not allow you to leverage technology and get a unified look and feel of the applications. We have one big development center where all the integration happens. Middle East is our fastest growing market. We are changing the game with a 40% growth. Our biggest market with absolute revenue is definitely the US but that also is getting diversified with ME and India coming into the picture. India is in no. 6 position behind other western countries. The growth in US is particularly larger than Europe—owing to the economic turmoil happening there. We are replacing legacy and that is visible in our growth graph! ■