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Guest CEO Editorial

**THOLONS**

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Mr. Ketan Bakshi

Founder & Managing Director,
Neilsoft

Mr. Ketan Bakshi is the Founder and Managing Director of Neilsoft Ltd., a leading engineering & technology solutions company servicing the construction, manufacturing & process, capital goods, transportation, and software sectors. With 800 employees, Neilsoft has emerged as a leading player among the focused engineering services vendors to meet the needs of customers who want a competent and high quality services provider. Neilsoft is an ISO 9001:2000 and ISO 27001:2005 certified (information security) company with a differentiated culture and delivery model that makes it a preferred provider for many of its clients.

Among Mr. Bakshi's many achievements, what stands out is his track-record of re-defining industry rules and practices resulting in improved business efficiencies. He was also part of the senior team responsible for launching the first PC in India in 1983. Currently he is co-chair of the NASSCOM ESO Forum and Chair of NASSCOM's sub-committee with the charter of branding India in the Engineering Services space and growing the ESO market 10 times in 7-8 years.

Mr. Bakshi has a Bachelors Degree in Electrical Engineering and a Masters in Computer Science. Prior to founding Neilsoft he worked in various organizations in engineering, marketing and management capacities, and since 1986 he has been closely involved in servicing the needs of engineering clients.



Tholons:

As one of the leading niche Engineering Service providers from India, what do you see as the major drivers for the rise of Engineering Service in the services globalization space in general and offshoring in specific?

Ketan Bakshi:

Globally today, there is a constraint on the supply side for engineering talent. Worldwide, there was a big shift since the 1980's towards IT & Computer technologies (ICT) and towards the Legal

& Finance professions which ended up drawing (sucking) away a lot of the engineering talent that would have instead learned to design & build infrastructure, plants, machines, transport vehicles etc.

Add to this talent shortage - the need to be competitive & innovative and to complete projects on-time and to build new infrastructure & plants in emerging markets and you have very compelling reasons to outsource engineering work and for offshoring.

Tholons: With multiple suppliers offering ESO, what will the key differentiators among the suppliers to emerge as leaders in this sector?

Ketan Bakshi: To emerge as a leader in the engineering services (ESO) sector, suppliers will have to go beyond staff augmentation, infrastructure & capability development and I.P. protection value propositions. Aspiring leaders will have to build multi-disciplinary capabilities, a methodology to minimize the barriers created by distance, and the bandwidth & management skills to handle scale & complexity. They will need to develop risk assessment and mitigation skills also to be able to handle scale & complexity and that too without compromising on quality. These are the challenges we at Neilsoft are addressing and any aspiring leader will have to address.

Tholons: In view of the latest developments, how do you see the Engineering Services sector perform during and post the Economic Meltdown?

Ketan Bakshi: We certainly expect that there will be a slowdown in ESO activity in 2009 due to the economic meltdown and resultant contraction. But the long-term trends and demographics indicate that ESO (engineering services outsourcing) not only remains viable but will grow @ 20 plus % rate for the next 10 years atleast. While large companies have already experienced and benefited from the outsourcing trends, post-2009, we expect small and medium sized firms to pursue engineering services outsourcing (ESO) to remain competitive.

Tholons: One of the key challenges while making the outsourcing decision is to identify the right location for the right processes, what should be the approach for Engineering Services? Apart from cities like Bangalore and Pune, which other destination in India / globally appear attractive to you for ESO?

Ketan Bakshi: Any city in the world that has an established engineering eco-system for select verticals would be suitable for ESO.

The important criteria should be the city's evaluation on an attractiveness basis v/s other cities and the vendor evaluation based on scale, infrastructure, multi-disciplinary skills, methodology, maturity, quality systems, and past experience in the type of work that needs to be outsourced. Also important are factors like culture & value systems, language skills, work ethics in the region and legal & political systems.

This is where Pune & India score above many other cities and why Pune is emerging as the global engineering hot spot & engineering valley in India.

Tholons: Your service lines spans across verticals and multiple functions from Engineering Design to Software Solutions, what particular Service Lines do you see to be the fastest growing and why? What challenges have you faced (or foresee) scaling and how do you plan to handle them?

Ketan Bakshi: Engineering design at a systems level is much more complex and involves multiple disciplines. This is what we have strived to build at Neilsoft resulting in higher value- delivery to our customers. As far as segments / verticals are concerned, cyclicalities determine what is fastest growing at a given period of time. Currently, while construction related activities have slowed down, we have seen demand growth in our marine and engineering software service lines. Our industrial machinery and equipment segment (service line) is also continuing to grow, especially the plant (process) equipment area. We are also winning more projects related to industrial plant engineering.

The biggest challenge in scaling is retaining the quality and project management levels and growing your team with experienced staff. This in my opinion is the single biggest challenge in scaling.

Tholons: What are the next path-breaking technology innovations / trends that you foresee in the Engineering Services space?

Ketan Bakshi: The next path-breaking technology innovations / trends we foresee will be in the areas like cloud computing technology which will enable true project worksharing on a global basis, innovative devices to improve energy efficiency, alternate solutions to use of hydrocarbons to meet our energy needs, methods & materials to improve cooling & heating techniques, and innovative solutions for water treatment for drinking purposes.

We also expect that the industrial / military complex & production techniques established from 100 years ago will undergo vast changes and spark a tremendous amount of engineering activity in the coming decade.

The world will have to innovate and evolve solutions if wars have to be avoided to access energy and water resources.
