

Photo by Premnath Pandey



## 'Cisco has invested, globally, \$3 billion from 2004 onwards, till 2009 for SMBs'

**N**etworking major Cisco systems plans to tap the small and medium enterprises segment, and to help them generate business growth. With a complete range of customised Cisco networking solutions for SMBs across technologies such as routing, switching, security, wireless, voice and video Cisco plans to tap the small and medium enterprises segment. After having spent 10 years in the SMB segment, in an exclusive interview to **Monalisa Sen** of **FE**, **Kaushik Bellani**, Vice President, Sales - North, Cisco India shares his thoughts

**An overview of the SMB Market today in India.**  
The Small and Medium market is driven by the levels of

imagination of the entrepreneurs. Some of the main verticals driving the market are manufacturing, pharma, retail, finance and insurance. India comes in the top 3 countries in terms of the SMB market with an approximate 7 million SMBs spending, in 2009, an estimated 1 billion on IT and telecommunications spends. SMBs are recession proof. They always face a shortage of people or working capital and hence they do well in slower time.

**What are the challenges that the market faces now?**  
SMBs face cash constraints in terms of working capital and lack of expertise. They are faced with the dilemma of where to invest the working capital; whether to scale up

their operations or invest in infrastructure. They have more things to do with less money or capital at their disposal. What I feel is SMBs do well in period of slow growth or recession. This is an opportunity for them to accelerate growth and tap the potential.

**What precisely are your immediate priorities for the Indian market?**

Cisco has several certified channel partners through who they reach out to the SMBs. It offers customized solutions and products to the SMBs. These products are specifically built for SMBs. It also offers various financing options. Apart from this Cisco also manages or hosts services. Cisco's Net Academy program trains people to be employable in the industry. Cisco has certain products specifically designed for the SMB market such as switches, routers, security and wireless, IP Telephony (UC). In terms of TelePresence Cisco has the CTS 500 which is a standalone LCD.

**What are the investments made in the sector?**

Cisco has invested, globally, around upwards of 3 billion \$ from 2004 onwards, till 2009, in terms of products and services for SMBs and India features in the top 10 markets so a large part of the pie is from India.

**What are the target verticals for Cisco in the SMB space?**

- IT/ITeS
- Education institutes
- Hospitality
- Manufacturing

**Which are the target states for Cisco in terms of expansion?**

In 2005 Cisco was present in 6-8 cities but now Cisco is present in 100 cities through their partners. Cisco has approximately 950 partners specifically addressing SMBs. It is also present in Colombo, Nepal and Dhaka. 96% of the IT market is covered by the 100 cities where Cisco is present.

**What is the future of SMBs 10 years down the line?**

SMB will emerge stronger and high tech by then. Today an estimated 2-3% of the workforce is employed in large enterprises and the remaining is employed in SMBs. The ratio in terms of revenue should also change in favour of the SMBs, currently a major share is with the large enterprises but the future might even see a 50/50 ratio.

We are growing at 2-2.5 times of the market growth, so if the market is growing at 10-12% Cisco is growing at 2-2.5 times that. ■

