

# INFOTECH ENTERPRISES LIMITED



## Company Background

Infotech Enterprises Limited, founded in 1991, has its headquarters in Hyderabad, India. It provides a variety of technological services and solutions in the fields of geographic information systems (GIS), engineering design and software development. The services provided by Infotech span varied fields such as photogrammetry, digitization of drawings and maps, CAD/CAE, design and modelling, repair development engineering, reverse engineering, application software development, software products development, and consulting and implementation.

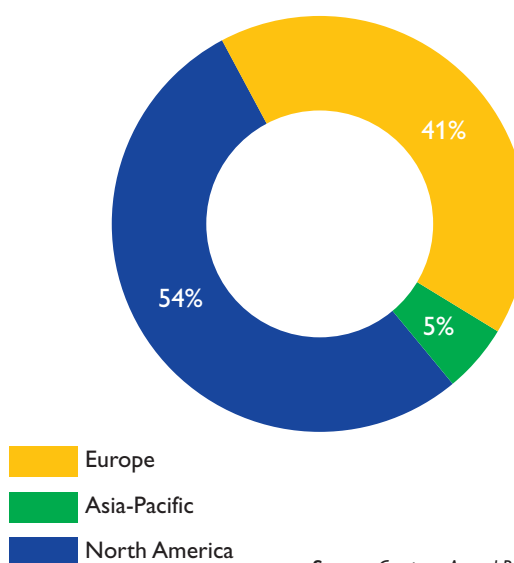
Infotech Enterprises Ltd. has 22 international offices and 6 development centres worldwide. It employs 4,000 personnel, and has wholly owned subsidiaries in the USA, the UK and Germany. Its offices are located in India, Germany, the Netherlands, the UK, the USA, Australia, Singapore and Dubai. Infotech Enterprises registered revenues of EUR 67.5 million for the financial year ending 31 March 2006, which was an increase of 41 per cent over the previous year. The net profit was EUR 9.4 million.

Infotech has been awarded ISO 9001:2000, BS7799 and SEI CMMi Level 5 certifications. Its Aerospace division acquired AS 9100 B certification in January 2006. The clients of Infotech include top companies such as Alstom, Artus Pacific Scientific, Bombardier, Certive Corporation, GKN Aerospace, Hamilton Sundstrand, KPN Telecom, GE-Swisscom Fixnet, Airbus, etc. Infotech also has partnerships with Oracle, Microsoft and Plumtree.

## Infotech Enterprises in the European Union (EU)

In the EU, Infotech has offices in the UK, Germany and the Netherlands. Its European client list includes companies such as the Department for Transport, the Government Office for London, Avon Cosmetics, Credit Lyonnais, the Home Office, Reality, Lafarge Aggregates, Strategic Rail Authority and Bombardier Transportation. The company began operations in the Benelux region (Belgium, the Netherlands and Luxembourg) in 2002, which has won it several new contracts including Pipda and Elia & Straatsbosbeheer. The company has partnerships with ESRI UK, Oracle, TeleAtlas and TerraQuest. It generated nearly 41 per cent of its revenues from Europe in FY 2006, as shown in the figure below.

Infotech Enterprises' Revenue Break-up by Geography: 2005-06



Source: Company Annual Report (2005-06)

### **Infotech Enterprises in the UK**

Infotech Enterprises Europe Ltd., UK (IEEL) was incorporated as Dataview Solutions in 1992. In 1999, it was integrated into the Infotech Group of companies, headed by Infotech Enterprises Ltd. Currently, it is a wholly owned subsidiary of Infotech Enterprises Ltd. IEEL offers GIS services, engineering design and IT services.

IEEL has recently entered into a multi-million euro contract with GE Energy for providing geospatial data management services for Swisscom Fixnet, Switzerland. This is the largest single-vendor contract to be awarded to an offshore GIS services company. IEEL won a EUR 4.5 million GIS contract from Royal KPN NV to provide data management services to KPN's telecom access network. IEEL has entered into an alliance with Ten Sails, UK, to provide technological support to Smallworld platform users.

IEEL registered revenues of EUR 10 million in FY 2006 as compared to EUR 7.75 million in the previous year. The net profit stood at EUR 1.2 million in FY 2006.

### **Infotech Enterprises in Germany**

Infotech acquired Advanced Graphics Software in Leonberg, Germany, as its wholly owned subsidiary in 2000. It was later renamed to Infotech Enterprises GmbH in March 2006. It is involved in buying software licenses and reselling them for profit. It also offers service and maintenance contracts, training and after-sales support. The subsidiary has clients such as Bombardier Transportation, MGI and Alstom Transport. It registered revenues of nearly EUR 9.8 million with a net profit of EUR 0.36 million in FY 2006.

### **Infotech Enterprises in the Netherlands**

IEEL acquired Map Analyst B.V., a private limited liability company registered under the laws of the Netherlands. It has become a wholly owned subsidiary of IEEL.

## **Key Success Factors**

### **Verticalisation of Services**

Infotech Enterprises offers a wide variety of services. In order to re-align its operations to better cater to the varied demands of its EU clients, the company management opted for the verticalisation of its services, as a part of its 'Creating Business Impact Model' that was decided upon in 2003. The company now operates in two specialised business verticals: utilities, transportation, government (UTG), which provide services for power, gas, transportation, telecom and local government; and engineering, manufacturing, industrial products (EMI), which provide services in industries such as aerospace, automotive, off-highway transportation, and industrial and commercial products. The specialised intellectual assets of each vertical are organized under the leadership of a President. This verticalisation model has enabled the company to offer expert solutions in specific verticals. It has hired technical and domain-specific experts to increase the value of its service offerings.

### **Increased Market Coverage**

In addition to providing GIS services in the EU, Infotech Enterprises also introduced relatively newer services, such as engineering design and electronic design, in Europe. This enabled it to diversify its offerings in the EU. These two segments have registered growth in Europe and earned new contracts for the company.

### **Centres for Excellence**

Infotech Enterprises has set up dedicated offshore centres of development for serving the needs of specific clients with its in-house facilities. Currently, the company has set up such 'Centers of Excellence' for major clients such as Airbus, Alstom Transport, GKN Aerospace, Hamilton Sundstrand, Invensys, etc.

## **Future Plans**

### **Inorganic Growth**

Infotech plans to grow through acquisitions. It is looking forward to acquisitions as a viable growth option in the EU, as it would enable the company to enter into new markets in this region, thus enabling it to widen its customer base, acquire new technologies and domain skills, and expand its services. The company is aiming to evolve into a EUR 200-million organisation by March 2009.

### **Focus on R&D**

Being a technology-based company, Infotech plans to focus on R&D to stay abreast with the latest technologies worldwide and register continuous growth. New technologies, such as object recognition in video imagery, storage scheme for road network data in Oracle Spatial, Infotech's IP on Symbian Smart Phones, etc., are being developed by the company's R&D team. Infotech aims to leverage its R&D capabilities to develop competitive products, improve production efficiencies and build technical expertise in core technologies.

### **Focus on Engineering Services and Geospatial Services**

In engineering services, Infotech plans to increase its presence in the EU by offshoring products, services and technical expertise to its customers in Europe. The company plans to focus on engineering and geospatial services. It estimates the engineering services market to be between EUR 29 and 33 billion by 2020. It also foresees geospatial services forming an essential part of future IT architecture.

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