



Companies to Watch Out for: Action Kings!

Dataquest selects eight companies that are in areas that will be hot in 2008, and that will significantly define the trends in their respective areas

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Picking eight names out of thousands of possible contenders is not an easy job. It becomes challenging especially when those eight (and those thousand contenders) are companies in a growing economy like India. And, forget not, we were considering not the long-term potential of the companies, but their action in the next 12 months as the criterion.

Since we did try that, it is probably apt to briefly articulate what were our guiding principles. As the name suggests, they are eight companies to watch out for in 2008. That means these companies are not necessarily the most innovative, or most well-managed, or most likely to grow faster than others or anything like that. They may be all that and more, but the primary reason for picking them is: we believe that they are the companies where most action would happen. Again, that is a relatively broad word

For a company like Tata Technologies, action could mean buyout or big customer wins; for a concept start-up like Connectgaia that could mean successfully selling the concept of its existence; for a company like Zapak, it could mean pioneering a culture in India. Yes, you may find one underlying commonality among all these: these are the companies that are in areas that will be hot in 2008 and these are the ones that will significantly define the trends in their respective areas in India.

Of course, the list is subjective. And we are unequivocal about that. It is what we at Dataquest have decided after quite a few sessions of brain-storming, followed by research, followed by brain-storming again till we arrived at a complete consensus. If you think we have missed a really deserving company, which fits the above criteria, we would love to hear from you.

Here are those eight companies presented in no particular order.

Connectgaia.com: Greener Pasture

Indian enterprises have come to realize that being green makes better business sense as it provides energy efficiency. Connectgaia, launched in May 2007 by specialized IT firm, KLG Systel, was not only a pioneer in telling people that to minimize energy usage, you must first measure how much energy you are using as you use (as opposed to after you have used), but even provided a way by which you can monitor and regulate your energy usage anywhere, any time, using the Web. And you do not have to be a pro to use it.

In 2008, we expect that the sensitiveness about energy efficiency will become mainstream and there will be a better appreciation of the idea that Connectgaia is trying to sell. The company plans to create an intelligent network by establishing communication with power generation, transmission, and distribution system.



Sumit Goel is betting big on increasing concerns about energy usage

We believe there is one challenge that Connectgaia would have to manage. While in 2007, it kept selling the concept, in less than 12 months it will see a pull situation. Like the Indian services industry, the challenge will shift from selling the idea to execution. If it can manage that even moderately (as it has no serious competition now), it will emerge as a sure winner.

Zapak: Games Indians Play

Zapak was listed by Google India as one of the top ten most searched phrases in India. Zapaks popularity shows that this is a segment which cannot be ignored by anyone planning anything around online. Zapaks is a case of belief in the potential of the opportunity, and doing all that is possible to turn that opportunity to a viable business.

Zapak, owned by Reliance Anil Dhirubhai Ambani Group, is now creating what it calls Zapak Zones, gaming cafes, across the country. It is also working on MMOG (Massively Multiplayer Online Games), which has generated huge interest in the developed world.

The company is banking on the fact that India has the largest number of under 25-year-olds in the world apart from the fact that Internet penetration is increasing at a fast pace. The company has much at stake as it intends to spend about \$100 mn over the next 3 years. With its over 5 lakh registered users, Zapak is also trying to ride the social networking wave through its www.bigadda.com portal.

The year 2008 will see more action in the space and as a trend-definer in this segment, Zapak will see a lot of action.

Cranes Software: Statistically Speaking

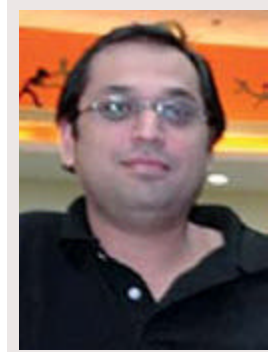
Those who watched the Gujarat election results unfold must have noticed and wondered at the ticker of Cranes Software on CNN-IBN news channel. The results analysis had utilized the analytics expertise of Cranes to sharpen the findings. Cranes Software, which provides enterprise analytics and engineering simulation software products and solutions, has been credited with being one of the most innovative product companies in India.

This is an area that is being looked at seriously by companies in all segments. We expect a lot of action to happen in this area in both India and abroad, as media becomes more tech-savvy. Cranes is well positioned to leverage on its strength, especially in a year that will see quite a few state assembly elections and possibly general elections in 2009.

Financial Technologies: On the Fast Lane, Literally

Online trading is on the boom in India; right from equities to commodities, Financial Technologies (FT) has played a small but important role in spurring this growth. Ever since the launch of its computerized trading platform, ODIN in the late 80s till the recent launch of Tickerplant Infoventing, FT has been at the forefront of all technology solutions related to all sorts of commodities exchange.

The company, founded by Jignesh Shah, has managed to make good inroads into some of the PSU banks in India as well as exchanges outside India. Its biggest success has been its flagship product suite, ODIN, which is targeted at securities and commodities exchanges and has managed to grow to 220,000 trading licenses.



Rohit Sharma is determined to make Indians play more games

FT, according to is Devang Narella, MD, is right now working on a pilot for Atom Technologies, the mobile payment platform, and in 2008, he expects a definitive solution in that space. There have also been talks of a major acquisition in the new year. Indias first national level power exchange, Indian Energy Exchange Limited (IEX) for trading electricity power exchange, is proposed to be set up by FT and Power Trading Corporation of India and has received approval from the Central Electricity Regulatory Commission (CERC).

The company looks all set to make good use of its domain expertise in 2008. After all, the company was recognized by World Economic Forum amongst the top 125 Founding Global Growth Company Members at Dalian, China, Summer Davos - 2007; 2008 is beckoning to be an equally interesting time.

We expect FT to expand its portfolio/capability by taking organic/inorganic route in 2008. Both ways, it will have a lot of action.



Devang Narella is helping everyones trade by creating exchanges

Zicom: Sense of Security

Like most other companies in the list, Zicom stands out because of the conviction with which it is doing what it is: developing a market for its surveillance products. While no one needs to be convinced about the need for these products in places such as airports, banks, and such public places, what sets Zicom apart is its belief that there is a real need for its video phones among home users. It has not just caught everybodys imagination with its advertising blitz; it is going all out channeling its products through large departmental stores.



Santonu Choudhury, CEO, Consumer Services, Zicom, is going all out to make life a little safer for home users

From providing CCTV services on suburban trains in Mumbai to coming up with products like fingerprint door lock, burglar alarm system, the company has diversified and expanded its operation to thirty cities. Some of the other innovations include Electronic Gas Leak Sensor.

In the coming year, while the public security systems markets will continue to grow, we believe Zicom has identified a real opportunity for growth in the home surveillance market. With new suburbs coming up around most cities in India with professionals buying homes in these places like never before, Zicom has identified a real need and has not been deterred by the fact that it has to do a lot of ground work to make this a real business opportunity.

Geodesic: IT is Infotainment

This is one product company in India that has leveraged the Web 2.0 technology in real sense. Mundu has been one of the biggest successes stories in this arena. It is targeting OEMs, media and publishing, and social networking sites for its innovative applications it has developed around Mundu platform. Enhancing the mobile phone users entertainment and collaboration capabilities by offering applications that enable them. Other Mundu IM applications are aimed at publishing industry and social networking sites. Its products have good compatibility with some of the leading names in the IM space. It has also got into content aggregation and self-service ad management space.



Kiran Kulkarni is using IT to provide better infotainment to people

Geodesic came into being in the late nineties in Mumbai at a time when the Internet ruled supreme, informs Kiran Kulkarni, MD, Geodesic, and every other corner shop was going online. Geodesic developed an e-commerce engine hamarashop.com. As time flew and the euphoria faded, the directors realized that being a straitjacket online company could no longer guarantee success. The directors went into a huddle, and after much deliberation they decided that the future spelt products. The company would now focus on creating products that not only stood out in the Indian marketplace but globally as well. And Mundu was thus born.

Other Mundu innovations include Mundu Radio, which allows access to digital Internet Radio stations on mobile phone. Excitements in 2008 could include work on video and handwriting technology.

Apart from the Mundu suite, Geodesic also made news when it acquired majority stake in Chandamamaa popular multi lingual monthly magazine for kids and youngsters. In all probability, Chandamama is all set to go digital, leveraging Geodesics expertise in the Web and messaging space.



Patrick McGoldrick, could make Tata Technologies Indias first specialized software giant

Amit Prasad is riding on the navigation wave

Tata Technologies: On the Fast Lane, Literally

Yes, Tata Technologies is working for the winning Williams F1 racing team by developing software for them. But that is not the reason why we have listed Tata Technologies here. This company, still an arm of Tata Motors, grew significantly in the last two years by acquiring INCAT. In 2008, it could well become Indias first specialized IT firm to make it to the Big League.

This IT arm of Tata Motors, through its operating companies INCAT and Tata Technologies iKS, has emerged as a leading player in providing IT services in the engineering and design domain, primarily to the manufacturing industry across twelve countries. The primary verticals for this company are aerospace, consumer durable, and automotive. It made headlines in 2005, by acquiring the UK-based INCAT, a company with PLM expertise, for about Rs 400 crore. Incidentally, INCAT was one of the largest PLM solution providers in the world; the marriage with Tata Technologies catapulted it into the international big league. At the same time, this has given INCAT the leverage to tap the burgeoning domestic market in India.

While helping F1 teams to win races, it is also working on the design of its parent Tata Motors dream projectthe Rs 1-lakh car. Its relation with TCS, initiated last year, could mean added forays into the

world of F1 as TCS is servicing both Ferrari and Fiat currently.

SatNav: Sky is the Limit

This year may well be the year of navigation technologies. And, SatNav has worked hard for this day. Through its products, SatGuide (Car and mobile navigation systems), SatTtracx (web-based vehicle tracking system), and roadsofindia.com (Indias first direction portal), SatNav has focused on creating opportunities for itself (and others) around the navigation space.

And when Indians are finally waking up to the need of a good navigation tool, SatNav has made it easier for them to make the choice by dropping product prices to almost half. Today, a GPS receiver can be bought at sub Rs 6,000.

SatNav has taken pioneering steps in this area, but with this opportunity becoming bigger and bigger, this year will see more players jumping into this arena. We expect SatNav will work with many of these companies such as mobile service providers, phone vendors, websites, automotive companies to expand this space.