

Thecasesolutions.com



Thecasesolutions.com

### Agenda

#### Thecasesolutions.com

- Overview of IT industry in India
- Sonata Software
- TUI AG & TUI InfoTec
- Joint Venture of Sonata & TUI InfoTec
- Recent Developments
- Recommendations
- Discussion

#### IT Industry in India

#### Thecasesolutions.com

- Software products and packages developers
- IT service and solutions providers
- Call centers and customer service
- Consulting firms
- Digital transformation services
- Data processing
- Training





SC Gain trac

#### Growth

#### Thecasesolutions.com

- 1984- Liberalization of hardware policy
- 1990- Creation of technology parks and export processing zones simplified and encouraged international operations
- 1990s- Government invested resources into IT education
- 2000- Software was 58% of Indian export revenue



Figure 1 : The loc

#### India's Comparative Advantage

#### Thecasesolutions.com

- Government devoted resources towards technical education in the IT sector
- Large amount of skilled laborers drove down equilibrium wage
- Cheap labor attracted foreign interest and led to further industry development
- Cost of search and import < cost of actual project</li>

#### TI

• B

• 0

• D

a

# Industry Development Thecasesolutions.com

- Body shopping- sending individual workers to foreign client locations while still paying them lower Indian wages
- Offshoring- service providers were based in India and worked remotely with clients
- Dual shore model- workers overseas on assignment supported by development centers in India

#### **Factor Conditions**

#### Thecasesolutions.com

- Surplus of skilled labor
- Tradition of scientific/technical institutions
- Factor disadvantage: telecom and business infrastructure

## Related and Supporting Industries Thecasesolutions.com

- Investments in IT education as support
- IT-enabled services such as call centers