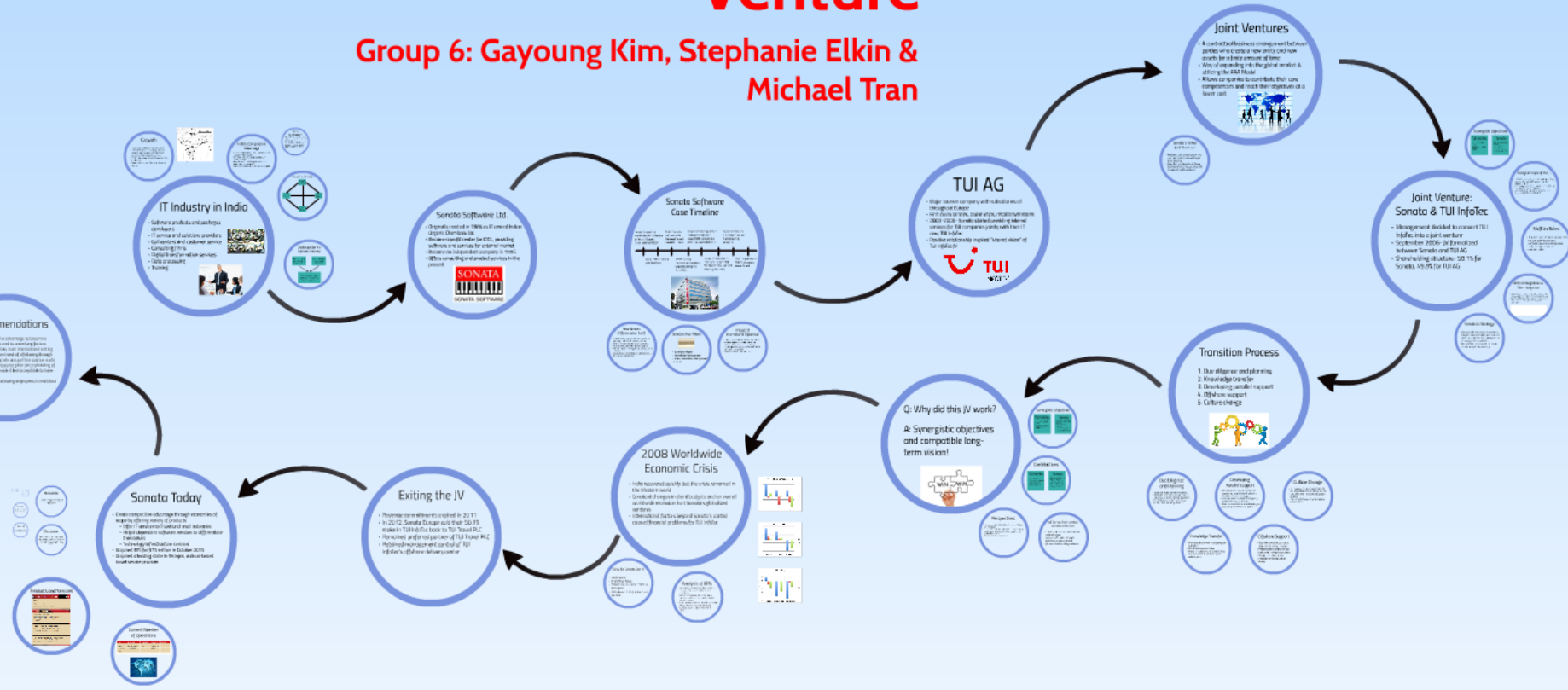


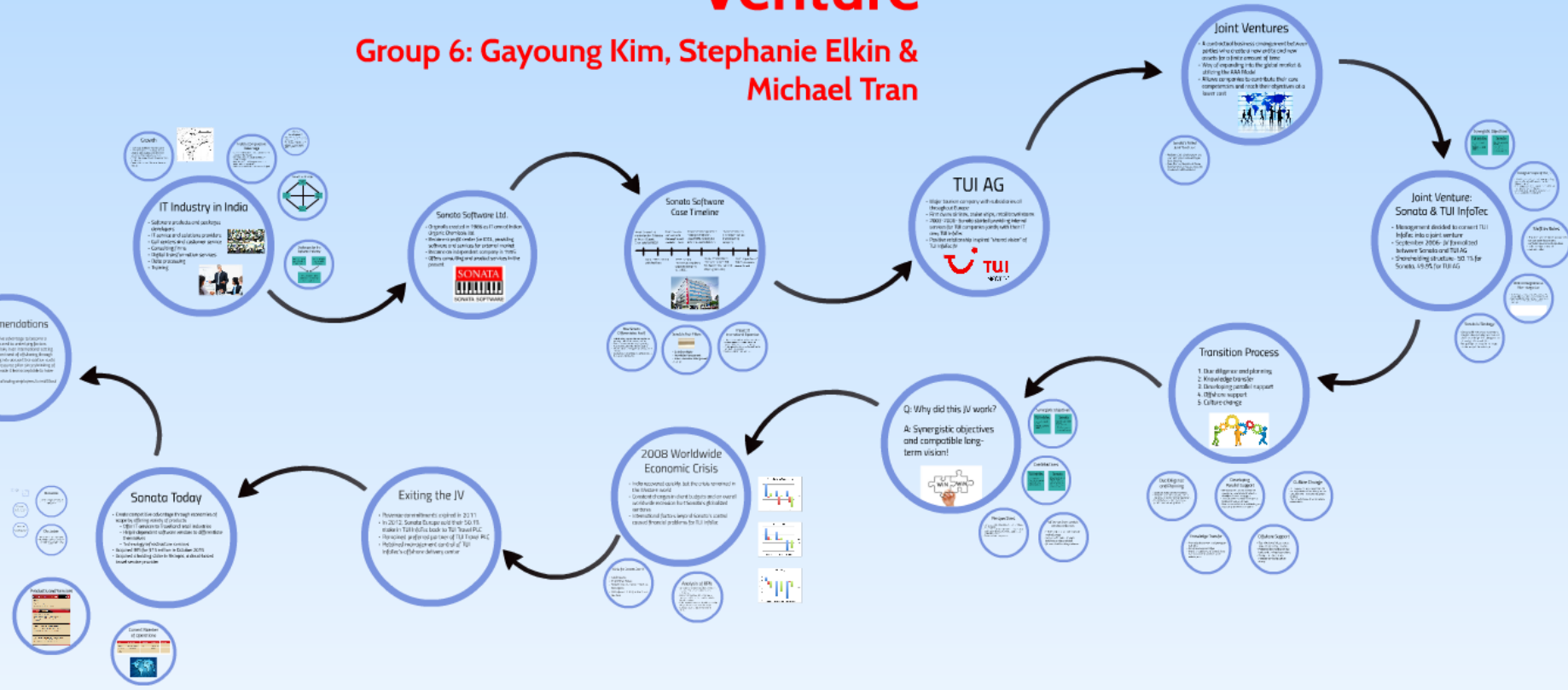
# Sonata Software Limited: An International Joint Venture

Group 6: Gayoung Kim, Stephanie Elkin & Michael Tran



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# Agenda

- 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

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



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# Growth

- 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

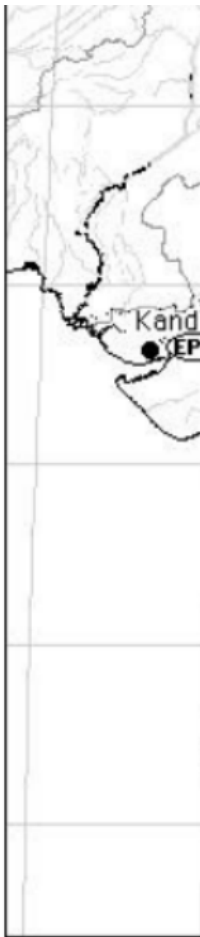


Figure 1 : The loca

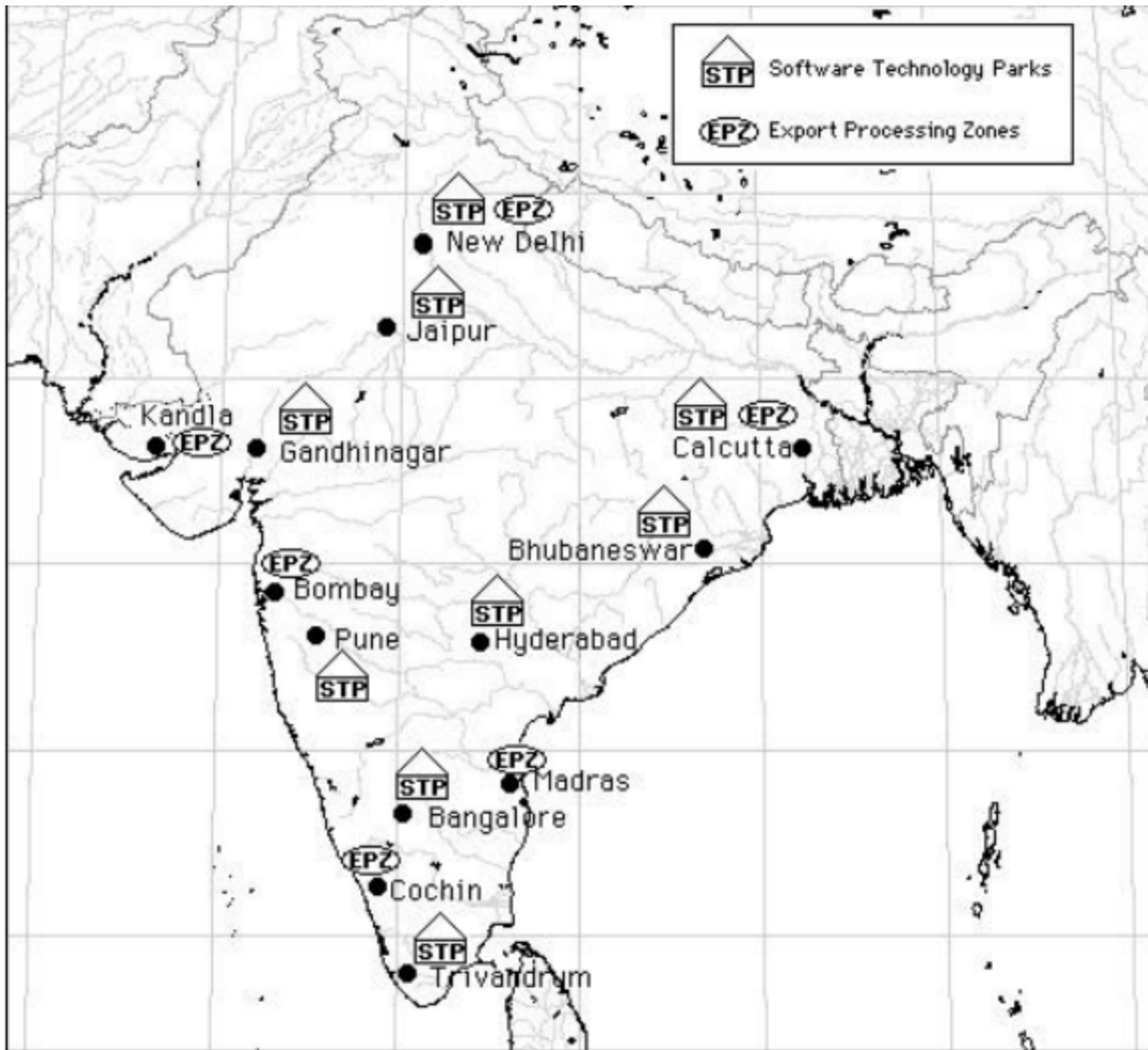


Figure 1: The location of major software activity in India

Source : Udell 1993

# India's Comparative Advantage

- 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

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# Industry Development

- 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