



For Immediate Release

## **Skoch Honors IT Leaders with Challengers 2003 Awards**

**New Delhi 26 March 2003:** Skoch Consultancy Services, a leading market analysis and strategy consulting firm, today conferred awards of excellence to leading IT market players in India, at a glittering ceremony held in New Delhi. Called *Challengers 2003 Awards*, they were given in six categories covering hardware, software and networking.

"The uniqueness of these awards is that unlike others, we are giving them on the basis of the companies' potential to perform in future, rather than on the basis of their past performance," explains Sameer Kochhar, CEO, Skoch. They are also being given to fastest growing companies in different market segments. Skoch industry analysis, featured in its annual market study report – *Browser 2002* – was the basis for estimations. "There was also an emotional criteria applied that what gives the leader maximum sleepless nights," says Mr. Kochhar.

Besides their ability to grow faster than the industry averages, Skoch analysts selected the companies on the basis of their potential to double their market share during the next three years or achieve a significant milestone faster than the others. The segments covered include operating systems, CPUs, enterprise applications, retail, PCs, ITeS, networking, inkjet and laser printers.

The global software leader, The SCO Group, bagged the award in the operating system category as the company registered a 5% market share in the local server market of 45,640 units in 2002. SCO is well-positioned to double its share in the coming three years. "We believe that the combination of a strong Unix armory and United Linux makes it possible for SCO to double its share," explained Mr. Kochhar.

By selling 10% of the 179,704 CPUs, AMD emerged as the winner in this segment. "Given the AMD charge in the consumer and SME segments, its market share in these two would be even higher and now with some of the new CPU launches they may be breaching the enterprise bastion as well," said Mr. Kochhar.

Oracle – with a 9% sliver valued at Rs. 22.48 Crore – got the award for enterprise applications market which otherwise was a disaster area due to rapid fall in pure ERP sales. "With the market maturing, there is a definite trend towards an integrated enterprise application suite being driven through the CRM component. This is an area where Oracle is very strong," Mr. Kochhar analyzed.

The year 2002 was boom time for retailing with nearly 48% of the PCs sold having been retailed. "HP led in the PC retail category becoming the leader as well as the challenger due to its potential to double its share over the next three years in a highly fragmented market, ruled largely by assemblers," says Mr. Kochhar. HP topped the list of contenders with a 7% share, selling 60,254 PCs through the retail network, out of a total of 860,782 machines that went through this channel last year.

In a total networking market size of Rs. 1,850 crore, Enterasys grabbed 6%, amounting to Rs. 111 crore. "Enterasys is not a player in the telecom market. Despite this, the company put up a

good performance. In non-telecom networking, its market share would be higher than 10%," Mr. Kochhar estimates.

In the inkjet printers segment, Canon bagged the award, selling 15% inkjet printers in a market size of 580,963 units, though the total printers – laser, DMP, etc. included – sold in India during 2002 were more than 1 million. "Canon's performance is commendable in view of the fact that nearly 70% of its sales happened in non-metro areas and that is where the action is shifting," said Mr. Kochhar.

Samsung was the only company to win two awards in the 'fastest growing companies' list. Skoch projects that the Korean major – given its strong ownership of the component base that constitutes a very large percentage of the PC – will become the fastest company to sell over 100,000 PCs. Similarly, Samsung is poised to excel in the laser printer segment by becoming the fastest seller of 100,000 laser printers. "World wide laser printers constitute a far higher percentage of the market than in India. We expect Samsung to grow and occupy this market, while their formidable control over costs and their expertise in commoditizing every product will see them sprinting in the PC arena," Mr. Kochhar projects.

The local IT-enabled Services (ITeS) provider, Daksh, has been selected as another fastest growing company, which will become the fastest cross-over company from SME space (<\$50Mn) to Large space (>\$50mn). "Such growth with repeat business is not possible without a strict adherence to service level agreements (SLAs). Daksh has proved itself there so now its business can only snowball," predicts Mr. Kochhar.

"Performance recognition through this year's Challengers Awards emphasizes the fact that despite persisting tech slow down, companies have a tremendous potential to grow in the Indian market," concludes Mr. Kochhar.

The highlight of the Awards ceremony was a 'Lifetime Achievement Award' conferred to Mr. P.K Sandel, Founder President of Telecom Equipment Manufacturers Association (TEMA) and National Associations of Small & Medium IT Companies of India (NASMEIT). He was selected for his role spanning over many years to ceaselessly promote the high-tech SME sector in India.

"Mr. Sandel has been fighting for SMEs' cause for four decades now. Even at the age of 69 he has a never-say-die spirit which is an inspiration for all of us," concludes Mr. Kochhar

The *Challengers Award 2003* ceremony coincided with *Skoch Summit 2003*, the company's annual IT industry conference.

### **About Skoch**

Skoch Consultancy Services is an independent IT industry analyst and strategic consultancy firm to several Fortune 500 as well as SME companies worldwide. Skoch assists western companies looking at business prospects in Asian markets while helping Asian companies to develop themselves as global entities, as a part of its services.

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