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President's Address

Manasi Saha
President, ISODA

Dear Fellow Isodians,

Warm Greetings to all of you!!!

At the outset I would like to mention that this year we have achieved a record 99% of renewal in ISODA annual membership despite the covid-19 pandemic that has affected and wrecked many of our businesses. Special thanks go to all the Regional Secretaries for your efforts and in particular to Sameena, our Relationship Manager for constant follow ups with the ISODA members. Last but not least, I must thank each one of you for having appreciated the benefits of ISODA and renewing your membership for the financial year 2020-2021.

Meanwhile, ISODA Management has undertaken another initiative - to compile a members' directory that we hope will be of immense value to all the members. The directory will be available to all the members on our website very soon. A request to those members who are yet to complete the registration formalities to kindly do so immediately at: https://isoda.in/member-form.

The directory will help all of us in following ways:
· Know our fellow members business better
· Collaborate with members on specific technology at pan India level
· Know each member's scope and geographical reach of operations

The much awaited ISODA AGM date is scheduled for 10th October, 2020 and due to the pandemic it will have to be conducted online, the details of which will follow in due course. We are pleased to announce the appointment of Mr. L. Ashok (Futurenet Technologies – Chennai) as the Returning Officer for the 2020 Elections. This time the election will be held for the following positions:
1. Vice Chairman
2. Vice President
3. Secretary
4. Treasurer

We are earnestly seeking maximum participation and cooperation from members from all the regions across India to make Isoda into a more organized, dynamic and valued association whose voice all stakeholders in our industry will be compelled to hear.

We have an exciting revisit to our vastly successful TSX at Baku. In order to have continuation for our esteemed sponsors and to also bring in people who could not attend TSX, we have TSX - India Edition happening online on 19th September 2020. We request everyone to log in and take the advantages of hearing **5** sponsors about their technologies and how we all can grow by allying with their solutions. Block you date: it's round the corner! Be safe.

BECOME AN ISODA MEMBER
Join one of India's largest networks of IT companies across verticals.
Please sign up at **https://isoda.in/membership.aspx** and **mail rm@isoda.in**

Start thinking of the business differently

Capt. Ashok Shiroor
Director, Mikroz InfoSecurity Pvt. Ltd.
shares a Practical approach to business growth in the New Normal

GDP down to -23%, hai toubaaa! How many of us actually understand what GDP expands to, let alone what it means! There are 3 methods to calculate it : output, expenditure & income. It is a thumb rule that if we have negative GDP numbers for 2 quarters, it means recession! So, what is the brighter side? How do we turn the negative sentiment to 'positive'? There are many approaches, not all practical.

HOPE 'n PRAY approach
- Hope 'n pray revenue opportunities for growth will b found
- Hope 'n pray plans will get executed well by team members
- Hope 'n pray that demand for products/services will get created

Consumption Approach
Start buying and stoke the engine. Not to earlier levels, but….

And then there's the practical "Start thinking of the business differently" approach
1. Review how to stabilise; once stable, plan the actions for growth therefrom.
2. Understand avoidable cost, keep leakages at minimum; or eradicate them altogether.
3. Reduce (/prioritise) offered products, services & solutions and increase geographies.
4. Get out of brick 'n mortar approach and go on-line; this increases the addressable market and horizon tremendously.
5. Avoid using buffers; work on viability and stability.
6. Do not shirk from technology investments or education (read acquiring new skills) that facilitate thriving in the 'new normal'
7. Collaborate heavily, (this has worked hugely for our organization surely to grow upon each other's strengths).
8. Clearly understand, define and build upon core competencies. Identify the fundamental capabilities of your business as well as the capabilities you need to build for further growth in the new normal.
9. Invest heavily on systems & processes to reduce overruns and make things lean. Rely on software as a force multiplier.
10. Think of newer means of marketing - WhatsApp, EDMs, Webinars, Free 'Expert' sessions. And mine all contacts through the history of the organisation.
11. Identify sectors that have promise - Defense, Govt./PSUs, Automobile, Pharmaceutical, Education, WFH facilitation, BFSI, etc. Ensure that you have a judicious and well thought out mix.
12. Holding-on (or hanging-on) is critical, to be ready when it is time to reap the benefit!
13. Adapt to the new way of working 'efficiently', with 'smart' cost-cutting and optimisation.

While doing all of the above, ensure regular alignment sessions with your teams; let them know what is happening and how they would be taken care of. DO NOT get any team member to office or to the field unless unavoidable; continue WFH to the extent practical till the vaccine is out, take all reasonable precautions most of us know by now are necessary

Business Continuity and Fund management in the time of COVID

Thomas Jacob
Director, MicroGenesis CADSoft Pvt. Ltd.
shares his experience of taking the pandemic head-on to ensure that business stayed afloat.

It goes without saying that the COVID pandemic has had a significant impact on all businesses and our IT software and solutions business is no exception. While we were aware that it would make a difference in the way we go about our business, none of us were prepared for the scale and complexity of disruption that the pandemic brought with it. It seemed like the world just came to a standstill and the frequent lockdowns only reinforced this fact. With the focus everywhere on mobilising hospital infrastructure and healthcare workers to cater to the ever increasing number of positive cases, the last thing on anyone's mind was investing in IT software.

So how did we cope? First and foremost, being in business for almost 25 years gave us the confidence that we can face and overcome the current challenge as we had done previously when faced with different kind of challenges. Armed with the confidence that there is a way out of this, we started looking at the situation more as an opportunity than a setback. Thanks to the existing systems and processes, which only had to be tweaked to adapt to the current situation, the entire business shifted to an online model in every aspect - sales calls, pre-sales demos, negotiations, order processing, delivery, installation, technical support, payments, etc. Our team realised that getting the work done was more important than the location from where it was being done, and thus 'work from home' became just another way to deliver what the customer wanted. Customers recognised that they too needed to make changes in their expectations and co-operated with us to keep the business going. Yes, business volumes did drop, but the confidence of the team to meet the situation head on and the customer's need to keep their own businesses going to whatever extent possible, helped us to achieve manageable revenues during this period.

As with any crisis of this nature where uncertainty is the rule, the first thing that customers do is stop cash outflow just out of precaution more than anything else. And for businesses like ours, if the cash flow stops, the business stops. When customers stop paying for their purchases in the previous quarter and new orders drop to a fraction of the regular business, the financial crisis is real and stares us in the face everyday. We had to dig deep to keep us going - Reserve funds meant for expansion and new projects had to be diverted, negotiating with distributors for longer credit periods, working with our bankers and channel financing to increase limits along with a history of financial discipline and aggressive collection practices helped us to manage the cash flow situation and ensured business continuity.

Today, we live in a time and space that we would not have believed if we were not going through it. Simple joys of life that we had taken for granted are no longer easily accessible. Ordering online and consuming at home is the new normal. As Sapiens we are doing what we do best - change, adapt and innovate to cope with a situation we still don't fully understand.

Hopefully, this too shall pass and soon we should be back on track to becoming Homo Deus!

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Explore selling cloud services to grow your revenue during COVID-19 pandemic

Munesh Jadoun
Founder and CEO, ZNet Technologies

Explore new business model - sell cloud services to grow your revenue during COVID-19 pandemic

We are all living through unprecedented times. The novel coronavirus has consumed many lives till date and has affected the global economy greatly. Governments across the world are taking every possible action required to control this pandemic and straighten the curve. Seems like we all are riding a roller-coaster, only this time we are still hanging in the air.
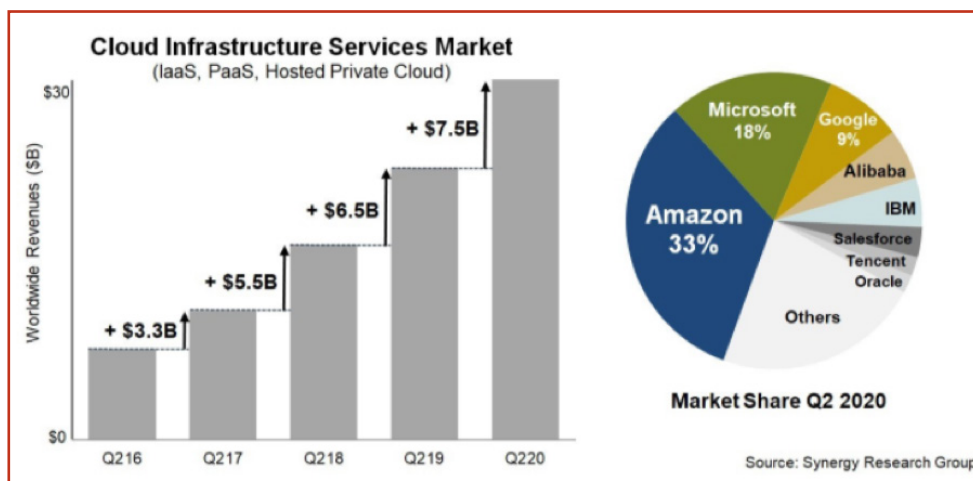
But I am a firm believer in the adage, "*Difficult roads often lead to beautiful destinations*." Hence, I thought of penning down this article for our ISODA members as I understand that tough times like this calls for more solidarity and I believe that we can help you in one way or the other. So, read on..

A few months back, businesses worldwide came to a standstill when governments announced travel restrictions, social distancing norms, and imposed lockdowns that in some countries went on for more than 90 days. The biggest challenge that many businesses faced during this time was of **business continuity**. However, when most businesses worried about managing their operations, customers, and employees, the digitally transformed ones were not only able to survive but even grow during this pandemic.

Digitally transformed businesses are the ones who use the cloud technology for their business operations. Cloud helps these businesses become agile by providing on-demand, flexible access to the resources with which they increase the breadth and depth of their offerings.

Digitally transformed businesses have a better chance of survival

The one thing that this pandemic has taught us is that the companies who are digitally transformed and work on the cloud technology have a better chance of survival. Many experts believe that cloud computing is immune to COVID-19. According to Synergy Research Group study, cloud services revenue exceeded $30 billion in the second quarter of 2020, encompassing sales of cloud infrastructure services – IaaS, PaaS, and hosted private cloud services.

Cloud Infrastructure Services Market
(IaaS, PaaS, Hosted Private Cloud)

Market Share Q2 2020

Source: Synergy Research Group

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contd..

There are many triggers which in my opinion have contributed to the growth of the cloud, especially in the COVID era:

- Cloud answers the biggest need of the companies right now – **the need to scale**. Video streaming giants like Netflix and Amazon Prime Video saw an increase in subscriptions during the lockdown. The latter even announced streaming videos in SD (Standard Definition) to meet demands.
- As a result of lockdown, companies are forced to shut down their physical offices and work on the remote model. Cloud has emerged as a crucial technology to answer the **need to access critical applications even when working from home**.
- As employees work from home and access crucial company's data from their personal networks, it creates a gap in information security. Cyber-attackers can utilize this gap. But with **compliance and security factors in the cloud**, businesses can protect their mission-critical data.
- As the world's population gets confined to their homes, the surge in internet requirement is beyond imagination. Cloud has matched the demand with supply with **dynamic allocation of resources** and quick scalability.
- If you look at the healthcare industry and law enforcement agencies, who were the first responders in this pandemic, the support of a **solid digital infrastructure** allowed them with quick access to information and with capability to help the survivors and fighters of the COVID-19.
- Similarly, banking industry also saw a huge surge in customer demand and online transactions during the lockdown. But thanks to cloud-based services, they were able to answer customer requirements even without being present in the brick-and-mortar branches. Thus, **if internet is the key enabler of digital services, cloud is the backbone**.
- The last and the most important is the **recessionary impact on the CIOs budget**. CIOs will look to cut-down their infrastructure budgets and optimize cloud expenditure.

Cloud seems to be the answer for most of the businesses right now who want to survive and grow during this pandemic. From some **future business goal**, cloud has now become **a business continuity need**.

So, the question surrounding migrating to cloud has changed from **'how'** to **'how soon"**.

Cloud is the silver lining for YOU – the IT infrastructure service providers

The surge in the cloud requirement has opened up a window of opportunities for the IT infrastructure, hardware and software vendors. Businesses are looking for the solutions that allow them to

- churn and analyse data,
- render servers,
- keep applications running, and
- meet surges in demand,

all without burning a hole in their pockets. With pay-as-you-go and other subscription-based billing models, **cloud is an evangelist of sustainability and business continuity right now**.

If you observe closely, cloud is the silver lining amidst the storm for IT infrastructure providers, who can now bundle cloud-based services with their product offerings to retain customers and set a recurring source of revenue.

Every enterprise – big and small, is now looking at cloud for reimagining their business and making collaboration happen at every scale and level within the business. Cloud has proved its ability to respond with speed while remaining robust.

Apart from those who were already running their business on cloud, many businesses are now looking to migrate to cloud to help them as well as their employees survive in the COVID era. This includes fitness centres offering online gymming classes, education institutes and schools structuring online classes for students, local grocery stores setting up online channels to support demands of customers etc.

Cloud is a lucrative business model for IT infrastructure service providers and vendors. **Your customers are already waiting to migrate to the cloud**. They need your guidance and support in order to take their business to the cloud.

Best practices for establishing a successful cloud business

contd..

As you plan to build a business model in the cloud, you need to know few best practices:

- **Know your customer:** It is very important to identify your customer's needs and changing requirements to personalize the cloud offering.
- **Offer value added services:** Customers do not bother with simple a-la-carte services now. They look for the 'more' factor in a service. Creating and offering value-added bundles is the best way to win customers. E.g. you can bundle a Video conference equipment from Logitec with O365 cloud subscription from Microsoft. You can offer a backup in the Cloud solution from Acronis with your physical servers from HP.
- **Make delivery consistently repeatable:** No matter what technology you choose, it is not worth the hype if it does not offer consistency. As a service provider, you must be able to consistently identify customer needs, provide seamless billing and provisioning of cloud services, and offer support as and when required.
- **Build recurring revenue models:** Recurring revenue and subscription-based billing models are going to be the new normal now. Budget constraints across industries and customers are the major drivers. So be ready to offer subscription-based cloud services without huge up front investments from the customer.

We, as a member of ISODA community, are there to help you sell cloud solutions. Through our hands-on experience in selling cloud services and managing billing, provisioning, integration, and more we can guide you in every step of the way.

About Author

Munesh Jadoun is the founder and CEO of ZNet Technologies. As an entrepreneur, he has been a part of the hosting and cloud industry for over two decades.

A passionate cyclist, he is an active volunteer and member of various entrepreneurship promoting organizations, including NASSCOM, ISODA, TiE and more. He is also actively involved in IAMCP (International Association of Microsoft Channel Partners), a community of Microsoft channel partners across the globe that works to improve Partner-2-Partner collaboration among partners. He is President of IAMCP Delhi, India and a representative of Global Marcomm Committee.

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You only get what you Negotiate

A personal note on doing business in challenging times and growing by
Minal Bhagat
Director & Co Founder, Ensonic Computech

> **"**
> YOUR **CHOICES** BECOME YOUR **BEHAVIORS**.
> REPEATED BEHAVIORS BECOME **HABITS**.
> HABITS COMPOUNDED BECOME YOUR **LIFE**.
> **CHANGE YOUR LIFE BY CHANGING YOUR CHOICES.**
>
> **DARREN HARDY**

You are making tough decisions for your Business. And those BIG goals you set back in January seem to be a thing of the past. If 2020 has dampened your progress on your goals, you are not alone. We feel it too!

Essential items all started being purchased in advance - hospitals asked for advance, doctors asked you to pay digitally even before giving a prescription, deliveries of essential items moved to app based purchases and you were still not sure if the order would be delivered, let alone when. I would Like to share what we at Ensonic Computech did to stay afloat in business. And a secret of how we actually grew our business during the pandemic.

We have both B2B and B2C customers. In both cases we started by asking 100% advance payment.

We faced resistance from B2B customers initially; in some cases, we faced rejections as well. We faced a few challenges in Corporates and in Government the customer refused to come to advance terms. But we increased our persuasive power and we pushed the prices lower and cash discounts were put in place. Soon, they started taking our products in advance. For the B2C audience, we identified their Need and the Differentiator that we had. Our offers were filled with a lot of attractions and flexibility of many combinations to bring comfort to them.

contd..

In both these segments we started saying that cost of products had to be covered in advance and our services could be given in credit. This action ensured that 50% - 60% of the purchases got converted to advance payment and rest closed on amicable terms; acceptable to us. Most of the Government purchases came through GEM portal and that brought in good business for us. A small percentage of the rest of the Government business was brought in with minimum 50% payment on delivery.

This put business back on track and also saved us from financial challenges.

Let's ignite The Compound Effect in in our businesses; by asking for advance payments. And let's not leave money on the table. At all!

A "BIG Thank You" to ISODA members, especially to those who have been working with me and motivating me regularly. When I joined ISODA as a member, I had assumed it to be just another association. But the more I interacted with the partners, the more I moved forward. I found so much of Life in this association. One could see lot of action and traction amongst members including wholehearted efforts to promote each other within the association. Special thanks to Mansi who has upheld the spirit of ISODA

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Legal

"Terminated Employees (Welfare) Bill, 2020 ("Bill")

In the present era where the role of private sector has increased exponentially with the role of public sector being depleted with the Government undertaking steps to privatize most public sector undertakings, the question relating to the welfare of private sector employees have started gaining prominence off late with the Courts also starting to take cognizance of the same by applying provisions of the Industrial Disputes Act and expanding the scope of definition of a workmen to also include employees in private companies. In light of the above, and in order to reduce the impact of termination of employment and to provide security to employees from sudden loss of job in the private sector, a private member bill, namely the Terminated Employees (Welfare) Bill, 2020 ("Bill"), was introduced by BJP MP Mr. Rakesh Sinha on February 07, 2020, in the Rajya Sabha.

Some of the key provisions of the act are as follows:

1. **Applicability and benefits:** An employee will be entitled to unemployment compensation, health insurance benefits or any other benefits as may be prescribed by the Central Government ("Bill Benefits"), (which will be in addition to provident fund, gratuity, leave encashment, etc.,) in case his/ her employment is dismissed owing to winding up of the organisation/ establishment due to:
   economic slowdown; or
   change in technology in the respective field; or
   the owner or director managing the affairs of the establishment becoming insolvent; or
   the orders of the court; or
   incurring losses and unable to carry on the business; or
   the change in Government policy.

2. **Non-Applicability:** The Bill does not apply to employees whose employments have ceased to exist on the grounds of:
   proven misconduct;
   cheating;
   indulging in fraudulent means and misappropriation of money; or
   having been found guilty by a criminal court of justice.

3. **Definition of Employer:** The definition of an employer in the Bill is completely different from any of the existing labour legislations in India inasmuch it only includes owner or director of any private establishment or organisation where 10 (ten) or more persons are employed. All the organisations/ undertakings which are owned, controlled or funded by either the Central or the State Government have been however excluded from the definition of "employer".

4. **Definition of Terminated Employee:** An important definition under the Bill is "terminated employee", which includes any employee whether on regular or temporary basis, or casual in nature or on contract, whose services have been terminated. Please note that the scope of the definition is very wide and does not exclude employees in a managerial or supervisory category like most labour statutes. The distinction is important cause Courts off late have laying down dictums of the employees in private companies can fall under the definition of Workmen due to some ambiguity in the ID Act and this bill removes that ambiguity and makes it clear.

contd..

5. **Duration:** A terminated employee is entitled to the Bill Benefits only if such benefits are not part of the employer-employee agreement. Such benefits are available only for a period of 9 (nine) months (inclusive of notice period, if any) or till the time he/ she get employed elsewhere, whichever is earlier.

6. **Unemployment compensation vis-a-vis severance package:** The unemployment compensation, which is to be paid by the employer under the Bill, should not be less than 60 (sixty) percent of the gross salary or as provided under the employment agreement (if any), whichever is higher. However, if the terminated employee is being provided with a severance package, which is higher than the unemployment compensation, then such employee will not be entitled to unemployment compensation under the Bill. It would appear that the unemployment compensation under this Bill would be in addition to retrenchment compensation as mandated under the ID Act, except where the retrenchment compensation is higher.

7. **Payment of interest:** An employer is duty bound to provide the Bill Benefits to terminated employees from the month following the month on which termination is communicated to the employee or completion of the notice period, if any, whichever is earlier. In the event, the employer fails to pay such benefits to the terminated employee within 1 (one) month from the date of termination, the employer shall be liable to pay interest at the rate of 12 (twelve) percent per month for such delay.

8. **Creation of corpus fund:** The Bill casts an obligation on the employer to create a corpus fund with contribution of at least 5 (five) percent of the net profits of the organisation. Additionally, the employer may solicit contribution from any organisation, individual or trust for maintaining the fund. This is an entirely new concept, which is not envisaged under the current labour law regime. Such corpus can only be used for the welfare of the terminated employees. The corpus fund may also be utilised for:
   payment of expenditure in connection with the education of the children of the terminated employees; and
   medical facilities, free of cost, in the manner prescribed.

9. **Rulemaking and funding by the Central Government:** The power to make rules under this Bill is vested in the Central Government, along with an obligation to provide adequate funds for carrying out the purposes of the Bill.

Analysis of the Bill

While the Bill is intended to reduce hardships on account of termination of employment, there are some practical issues, which make the Bill unfeasible:

Increased burden on employers: The Bill imposes substantial financial implications on employers (i.e., owner/ directors) as compared to their current obligations under law.

Lack of clarity: The Bill is silent on how the situations will be dealt with in cases where the organisation is not making profits and how the employers are expected to contribute in case the organisation/ establishment is incurring losses.

Closure versus Reduction in Force: It is important to note that the Bill Benefits will only be triggered by the winding up of the organisation/ establishment. The term "winding up" has not been defined in the Bill, and unless the rules framed under this Bill provide clarity on this matter, it would appear that the benefits will only be triggered upon the permanent closure of a place of unemployment and not as a result of redundancies.

Implications of non-compliance: The Bill does not provide any implications/ penalties, which the employers may be subject to for any non-compliance of the provisions of the Bill. With this, the Bill will merely remain a toothless remedy for the benefit of dismissed employees.

Conclusion

Given that the Bill is a private member bill, the chances of it being passed in both houses of the Parliament are also very minimal, as generally private member bills do not proceed beyond the stage of introduction. The Bill is also likely to be viewed as anti-industry and could run counter-productive to some of the Government's initiatives to improve ease of doing business in India.

The link to the bill is as follows:
http://164.100.47.4/BillsTexts/RSBillTexts/asintroduced/terminat-E-7%202%2020.pdf

*Sources:
Various articles and blogs on the internet. "