

Gowri Shankar Subramanian



Outsourced product development (OPD) space is a differentiator in the choc-a-bloc IT world where specialists like Aspire Systems operate. “When a company decides to use the services of an outsourcing firm to develop its software products it is always aware of what it needs. Hence players in this space have to have an understanding of the market needs. This is where we come in. We are aware that we have entered the market which is still a bawling baby and hence to mother the potential is our chance,” says Gowri Shankar Subramanian, CEO, Aspire Systems.

OPD Now

The chance has been opened up with the practices of the big players in the software industry. “Twenty years back IBM never outsourced any of its operations to third party vendors. However now it is outsourcing bits and pieces of its PC development work to external subcontractors,” reiterates Subramanian. Though the bigger players right now are content to just part with peripheral software development work to outside parties, the start ups have embraced to outsourcing their product development work end-to-end. This would mean that in the longer run seeing the business sense of OPD, market dynamics could change with the big fish also taking fancy to outsource entire product development operations. Right now the pond is big and the school of fishes small.

The start ups are swimming vigorously towards OPD because they have no legacy systems as a hindrance and hence the engineering teams do not have to take time to transition. Start-ups constitute just 15–20 percent of Aspire Systems’ business because they need high-end resources

Aspiring to

web-based modules; hardware and firmware components also to be developed along with software. The deadline was tight because everything had to be integrated and tested within the time span. The product has been deployed in 100 plus outlets of the chain. We were able to track their customers for them which provided them a unique edge given their size,” recalls Subramanian.

Customers of Aspire Systems ultimately decide the pricing of the product which is dependant on their successful marketing of the product in tandem with its intrinsic ‘goodness’ value. “We don’t have total control of what our customers do with the product we have designed for them and the spreading of the good word about the product is

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from Aspire Systems to lead the development process given the high pressure status of start-ups. Till date, Aspire Systems has helped 15 start-ups to convert its product ideas to fruition. Right from conceptualization to implementation.

“In October 2006 Biz-2-Me in the U.S. approached us and wanted us to roll out a customer loyalty application for them in five months. It was challenging because there were

hence not entirely in our volition. This is one reason that we don’t always take our customers’ stocks as payment and if we do so it is very selective and not more than 25 percent of the total handout,” according to Subramanian.

Employees are the First Customer

OPD players have lesser amounts of attrition compared to

Quick Facts on Aspire:

- Thought leader in Outsourced Product Development space
- 32 customers; 375 people
- 500+ product releases to date
- ISO 9001:2000 certified
- Offices in Chennai, Seattle, New Jersey, and Bay Area
- Privately-owned and self-funded
- 63% CAGR over the last five years
- Ranked in the Deloitte Technology Fast 50 India 2006 and in the Deloitte Technology Fast 500 Asia Pacific 2006

captives in the ISV space because of the sole reason that OPD firms have a variety of customers. This ensures that the challenges are many for the engi-

Conquer

neers given the different domains to work on from project to project. The career path of an individual in the captive set-up is limited as there are lesser choices between customers and technologies. Other challenges that captives face is that senior techies who have more than five years experience are hired which results in stagnation of growth as majority of the team members have matured experience. This model that captives in India follow is a U.S. legacy. Whereas in the OPD space teams are composed with people right from one-year experience upwards which results in growth for team members in view of the resulting managerial and leadership opportunities.

The Team's Technological Prowess

“Many companies in India just have a VP of Engineering to cater to new tech developments to bring out cutting edge products. We instead have a VP of

Delivery and a Chief Technology Officer. The CTO looks exclusively into creating frameworks, reusing components, strengthen internal technology competencies and work on upcoming technologies,” emphasizes Subramanian. Reporting to the CTO is an Advanced Technology Group (ATG) comprising of senior technical architects who prepare frameworks, delve into new technology and guide the delivery teams. Aspire has made significant investment in the CTO office with the ATG having the wealth of experience of having worked across multiple projects over the years.

The service lines at Aspire Systems include product testing, maintenance, implementation, migration, advancement, re-engineering, and support which is organized around Delivery Units. Some of the units focus on SaaS, SOA, Test Automation and others. “Uticor a provider of messaging technology has been our client for several years. We have developed 13 new products for them and each have had several releases commensurate with technological advancements and market needs,” voices Subramanian.

Competition for the OPD realm is from many different quarters. Traditional IT Services firms though are no real threat, as their real expertise is not Product Engineering, or Producteering - as Aspire would like to call the special practice. IT service providers build and maintain internal applications of enterprises. As an example - an internal application - have to cater only to the platform that their client uses and build applications.

Whereas OPD firms like Aspire Systems build products. Products have to run on not only a windows platform but also on linux - on any other platform. Thus the challenge is to make any product multi-platform-compliant. The ATG’s alarm is kept buzzing always. Adds Subramanian,

“One other increased complexity of building a product versus building an application is to make the product configurable on many factors. One of which, is that it has to perform across time zones and working weeks which differ when one is in the Middle East or in Australia.” The ability to architect a product which is configurable across multiple platforms and business rules also keeps the ATG on its toes.



Aspire Systems' Chennai Facility

The implementation by the development teams should adhere to the architecture in every single code to avoid maintenance problems. Ultimately all the hard work can go down the drain if the user interface is clumsy...the development team at Aspire Systems knows that its work is as strong as its weakest link. “The most important job of seniors here is to review the work done aggressively and mentor normal application engineers to ‘Producteers’—a cross between ‘product’ and engin’eers’—so that the product culture percolates down to the junior most techie in the team,” comments Subramanian.

Aspire Systems wants to be at the top of the heap in the OPD space by changing the way products are built. Subramanian raises a few mindset-shattering questions, “Why should product companies build their own products? Shouldn’t they be able to tap specialists who can build their products for them? We think this will be the trend of the future and we are working hard to realize this vision.”