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# The CIO Series

## Aircel's Ravinder Jain: Paving the Fast Lane to Market and New Revenues



# Aircel's CIO Paves the Fast Lane to Market and New Revenues

Aircel, India's seventh-largest mobile phone services provider, has chalked up interesting gains in speed-to-market, especially with third-generation services and bite-sized Internet features. Ravinder Jain, the company's chief information officer (CIO), says he has enabled that with technology architecture designed for a first-mover advantage. Now he's mining Aircel's databases to deliver new services that alert customers to friends and food in their neighborhood.



Jain is preoccupied with taking the Chennai-based company, which came relatively late to the market in 1999, and turning its latecomer disadvantage into a competitive advantage.

Jain's years of experience in the industry have given him a broad understanding of mobile services and Indian

consumer tastes. Before joining Aircel, he had spent roughly five years each running the technology function at Vodafone and at Pepsi India. He also spent about two years heading a startup funded by Hotmail founder Sabeer Bhatia.

At Aircel, he has helped push past legacy technologies to the current generation of infrastructure and internal processes. That has enabled faster speed-to-market in launching new offerings, lowering operational costs and growing a subscriber base that is receptive to value-added premium features. In focusing on all of these areas, Jain has gone beyond the usual CIO core

technology function to take on a strategic management role that impacts other key areas in the firm.

Aircel, a joint venture between Maxis Communications of Malaysia and Apollo Hospitals of Chennai, has expanded its customer base from 8 million to 54 million over the past two-and-a-half years. It has also led the industry in launching third-generation (3G) services and value-added products like its "Pocket Internet," which allows subscribers to buy Internet connections one day at a time.

## THE STRATEGIC VIEW

Jain says his role at Aircel has, over the last three years, "changed drastically from (that of) a hardcore technologist to a strategic partner proactively giving inputs to the business." He encountered one of his first big challenges in this vein nearly three years ago when Aircel expand nationwide from its stronghold in south India. He articulated the challenges of his dual role as follows:

- create the needed technological infrastructure in the shortest possible time to enable the



rapid, nationwide rollout of basic and value-added mobile services

- keep operational costs low
- be environmentally friendly, and
- anticipate customer needs and be first-to-market with new offerings.

Jain recounts how he positioned Aircel for those goals in mid-2008, when the company decided to go national in India, and it was building a 50,000-square-foot centralized technology center in Gurgaon, near Delhi. Jain had earlier decided to consolidate all technology in one location. “We didn’t have the time to run it first in one region, evaluate the success and replicate it in other regions,” he says. “We centralized the technology architecture where, with any new services, the plug-in happened only once and the service was available across the country to each and every customer in one shot.”

## TECHNOLOGY ON STEROIDS

Next, Jain needed to get his centralized technology center up and running quickly to support the national rollout. He planned a modular facility with an interim technology center at the same location. The interim facility could be built quickly, and the modular design would help in break down planning into discreet parts, which could be tied together and scaled-up later. The interim facility came up “in a flat 24 days,” he says, crediting the project’s success to strong planning. “Without delaying the launch of our business, we had it up and running. And then, without disrupting services, we created the larger facility in a modular manner.” That facility will take care of Aircel’s needs until mid-2012. Jain has already begun planning for a second technology center to handle added volume beyond 2012.

Jain also conceptualized the technology center

as a “green facility.” The environmentally friendly center saves on electricity, diesel fuel and overall operational costs. Aircel has sought a LEED Gold status (the U.S. Green Building Council’s Leadership in Energy and Environmental Design certification) for the technology center. The facility cost about Rs. 70 crore (US\$16 million) and has already generated energy savings of about Rs. 8 crore (US\$1.8 million) over the past two years.

## GAINING SPEED-TO-MARKET

Jain’s strategic management role also gets him intimately involved in designing systems for speed-to-market. In improving performance in this area, he implemented a so-called “service-delivery platform” that enables Aircel to launch new services without the usual fuss and delays over reconfiguring network infrastructure.

Aircel has a single platform where all the elements -- including GPRS tools (satellite-based global positioning systems), telecommunication switches, and SMS features -- are all connected and pre-configured. New service offerings can crank up fast with standard features such as billing, payments and CRM (customer relationship management) tools ready to go. Outsourced content providers (for features including ring tones, games and music) have the system configured for automatic delivery to the consumer, says Jain. “This is one initiative where the IT department has contributed immensely to the business.”

## STEALING AN EDGE OVER COMPETITORS

Aircel’s technology systems, including its service-delivery platform, have given it an edge, Jain says. His company has been the first in India to launch 3G services nationwide on mobile phones, for example. Aircel also pioneered the Pocket



Internet, an offering in which users no longer need to sign up for monthly subscriptions but instead can buy Internet time by the day, a week or any other period. “We democratized the use of the Internet and brought the capability of GPRS,” adds Aircel’s COO, Gurdeep Singh. “We also made it so simple that you don’t have to worry about settings.”

Jain credits all those “firsts” to Aircel’s centralized technology architecture design. “That is our backbone. Had we not done that, we would have lost the battle early on,” he says. “Look at the new operators. Why are they not successful? [Their] technology infrastructure is one of the most important reasons.”

Today, Jain is interested in “business analytics.” He refers to the possibilities for new offerings by mining his company’s databases on its customers’ phone-use patterns. “We have tons of data – every telecom operator has the largest knowledge base of consumers compared to what any other service can have,” he says. “We have the location of the consumer minute-by-minute, and we can track his route from office to home and back.” While aware of the critical need for protecting customers’ identities, he, like others in the industry, sees big potential in analyzing that information and bringing insights from the back-end databases to the front-end, enabling so-called “location-based services,” among others.

## BUSINESS ANALYTICS AND PIZZA OUTLETS

Jain explains how a typical location-based service would work: “For example, we know this consumer is near a Pizza Hut. I go through the marketing channels and tie up with all the Pizza Huts. I proactively tell the customer that there is a Pizza Hut five minutes away and we have a wonderful promotion going on, where you will get a 30% discount if you show this SMS message.

Now you are pushing the consumer for an impulse purchase.”

Aircel could also bring friends together “who are part of your social network – people you call every now and then,” says Jain of another nugget of intelligence from his databases. “If you are in a specific area, and if five of your friends are also in that area at different locations, would you not like to know that? -- that is to know more about the consumer than he knows. I can plot his social network and recommend things he could do.” Jain says he has been working over the last six to eight months to design such location-based services by digging into its databases.

All these efforts show up in the extra revenues those value added services (VAS in telecom industry parlance) are generating. VAS as a proportion of Aircel’s revenues grew from about 5% in 2007 to nearly 15% by end-2010. “If Japan can have [VAS adoption] closer to 40-45% and Malaysia close to 35-40%, we don’t see any reason why Aircel cannot do that,” he says.

## CUSTOMER FOCUS TO PREPARE FOR THE FUTURE

In meeting customer needs, India’s mobile operators tend to follow “the footprint of the western world,” says Jain, where 3G services have seen a high adoption rate. “Value-added services have been their way of life and India is not an exception,” he says. In fact, many features have become “a part and parcel” of the mobile phone user’s lifestyle, he points out. “SMS (short messaging services, or text messaging) was alien to us, and it didn’t take off immediately, but today you can’t think of your life without it,” he says. “Anything that becomes part of your lifestyle is a big hit.”

He points out further that it took nine years for SMS to become an integral part of cell phones.



“Create the services in a user friendly and handy manner and adoption will happen.” But “nothing happens on Day One or Day Two.”

“The customer is the biggest driver, not technology or marketing,” says Jain, and “customers are getting more evolved and more demanding, and looking for services that can fulfill their requirements end-to-end.”

For Jain, then, the winning mantra of his business, from the CIO’s perspective, is “listen to the consumer, listen to market insight.” But since the CIO doesn’t have a direct channel to the customer, his office must work actively with colleagues in sales, marketing and customer support. “That is when you have the visibility to the future,” he says. “You can then go back to your drawing board and draft your strategies.”

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