



CLAYTON JOHN, Director
Verchaska Infotech

PHOTO BY ILLUSTRATION

Tilting the BALANCE

Covincing a customer about replacing one vendor with another is no small matter. **Verchaska Infotech** did just that.

By Radhika Nallayam

AN ISV is one smart cookie. Everyone knows that. He, at times, has a superior role than the systems integrator itself in swinging a deal and turning it into his favor. Sometimes, he has such a firm hand on the tiller that the traditional SI who would have been in the picture for a longer period of time, will be forced to take a back seat and just take care of the integration part. The IT infrastructure implementation at Travel XP, a group company of Media WorldWide, is a classic example for this- of what an ISV can do to a typical deal that would otherwise have been carefully carved by a traditional SI. In the end, the ISV not just won a happy customer, but also kick-started a fruitful and beneficial partnership with a technology vendor like IBM.

BEGINNING THE JOURNEY

An ISV almost always possesses the chance of being the first to be approached by a customer as the customer need would primarily be around the software part in most cases. The story was not different in the Travel XP deal as well. The company wanted to make a loud entry into the online travel segment, by launching its travel portal, followed by a huge launch of its high definition travel channel for the India market. The entire IT infrastructure had to be built from scratch as the company had just ventured into the travel space.

Its primary requirement, quite naturally, was an ERP that is designed specifically to address the needs in the travel space. As it was hunting for the right technology solution in the travel space, Prashant Chothani, MD, Travel XP India came across the Mumbai-based ISV, Verchaska Infotech and decided to give it a try. "A travel portal requires a highly customized software as it has to talk to numerous disparate components. There were not too many options for us in the market in the first place. We even thought of developing an in-house team, but later decided not to get into that as it wasn't our core business. We shortlisted a lot of global solution providers and that was when we came to know about

Verchaska. We thought that it would make more sense to go with an Indian company as it would be able to understand our requirements in a better way. Thus we approached Verchaska and were pretty happy with the features of their product,” explains Chothani.

TWIST IN THE TALE

To make things easier, the new version of Verchaska’s ERP suite was also platform and database independent, which means, the customer could choose the hardware and database. This would have been the end of story in many cases, but it was just the beginning for Verchaska.

Usually, the SI would step in at this stage, propose the hardware as well as the database, work in tandem with the ISV and implement it the entire thing beautifully for the customer while taking away his share of margin. There, of course, was an SI in this story, Wipro, who suggested an Oracle database with Sun hardware.

Here starts the twist in the tale. The customer, who was pretty well-informed about the options available in the market, wasn’t really confident going for a Sun-platform. “We made a comparison between the Sun and Intel processors and found out that the Sun platform was not on par with Intel’s Nehalem processors from a power consumption point of view. It was a critical part as we would otherwise have to pay through our nose for power in a city like Mumbai. We were also not sure about how Sun would upgrade its technology in the coming days in view of Oracle’s acquisition of the company. So, we wanted to evaluate the other available options in the market and zeroed in on IBM hardware,” says Prashanth.

THE TURNING POINT

Along with the hardware, the customer also decided to look at other database options and turned to the ISV for any possible suggestion. Verchaska’s past implementations were mostly on Oracle database, but things had changed in between. The company was now an ISV partner for IBM and the vendor was also showing increased interest in taking that

Snapshot

Key Parties: Verchaska Infotech, Travel XP India, IBM

Implementation Partner: Wipro

Key Competition: Oracle

Location: Mumbai

Key Technologies: Verchaska’s travel management solution-Provesio, IBM x-Series BladeCenter, DB2 for database

Total cost of the project: \$ 1 Mn

Challenges: Convincing the customer about an alternative in database

partnership to the next level. Apparently, Verchaska was also on the verge of working on a couple of other projects in partnership with IBM on DB2. The ISV had almost completed the migration of its software on DB2 and was waiting for a test bed.

“We did not have any live examples of how our software would perform on DB2, especially for a market segment like travel, which is highly performance oriented. Apart from Travel XP, we had signed up with IBM for another big project in this segment. As Travel XP was ready with the investment quite fast, we thought it would be the right time for us to do the testing of our product on DB2. So we proposed the IBM database, keeping this in mind,” says Clayton John, Director, Verchaska Infotech.

While John suggested DB2, Travel XP definitely was not planning to accept it blindly and thus it became John’s sole responsibility to convince the customer about DB2. “I decided to bring the right technology resources, apart from the pre-sales personnel, to answer all the queries of the customer. Our relationship with IBM had been maturing over a period of time and the vendor had asked us to pass on any potential deal to them. So I got all possible support from IBM right from the initial documentation stage and through the pre-sales circle to the virtual bench-

marking,” added John

Chothani was also impressed by the overwhelming response it received from the IBM team that was introduced by the ISV. “We were really happy with the pre-sales support that we got. There were technical people to address my queries, which is quite rare during the pre-sales cycles. We did not see that level of keenness from Oracle. Besides, the TCO of the solution proposed by Wipro (Oracle Database and Sun hardware) was too high as compared to that from IBM.”

THE NAIL ON THE HEAD

Like every other deal, this story wouldn’t be complete without a price war. While the deal was moving very close to Verchaska and IBM, Oracle (represented by Wipro), stepped in with more discounts. The price of the Oracle solution was now on par with that of IBM and the customer was in a dilemma.

He finally turned back to the ISV for his opinion. “We decided to stand pat and very strongly recommended DB2. My experience with Oracle was not very good, in terms of implementation support and I voiced my concerns. I also guaranteed the customer that we would handle all kinds of support-related issues on DB2. I had the strong backing of the partnership with IBM. We had our technical team, the developers and the infrastructure team trained on DB2 by then and we were quite confident,” says John.

Verchaska’s assurance definitely was the final salvo and Travel XP singed up a deal with IBM. As Wipro was there in the picture right from the beginning, the implementation part was taken care of by it eventually. Verchaska, on the other hand, has a proven model and a strong brand to ride on in the future to bag more such deals. “It was a conscious risk that we took as how our software would perform on DB2 was still unknown to us at that point. We are now pretty excited about the results. So, it was worth the effort, especially while taking the long-term association with IBM into consideration,” concludes John. ■