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'We want to target the billion Indians who are cut off'

The writer has posted comments on this article Saira Kurup Saira Kurup , TNN | Oct 9, 2011, 05:05 AM IST

Aakash, the world's cheapest tablet, is the computer for the masses, Suneet Singh Tuli , CEO of its Montreal-based manufacturing company Datawind, tells Saira Kurup

Was there a plan for a \$10 tablet?

When I first heard about the project, the discussion was \$35. Our lowest manufacturing cost at the time was \$80. If the question is — is \$10 reasonable or realistic, today it seems way out there. Two years from now, who knows what will happen. Times change, pricing comes down, technology creates different kinds of revolutions.

How did you manage to reach the \$35 target?

Today our price for the Indian government is \$49.98. It is \$39.98 if you buy it ex-factory. The target price of the government is \$35. The cost of production is a lot lower than that. I am a businessman. If I don't have profit out of this, why would I do this? This order is for 100,000 units. The real volume break happens at two to three million units. We hope the government will next look at those kind of quantities, but the cost of this tablet is lower for three big reasons — first, we developed the technology on 18 US patents, dozens of international patents that shift the burden of processing from the client device to backend servers in the cloud; that reduces the processor cost. Second, we are a lot more vertically integrated than the average manufacturer who buys 50 parts and puts together the device. We "componentize" it — we buy 800 parts. That way we can reduce and eliminate the middle ware cost. Third, we monetize the operating system. You can install any application on it. But if you use our app store to buy an application, we make some money on it. This is the way Apple works with iTunes. These three factors have a huge impact on the price. Without the government, we would have launched a device at Rs 5000.

What impact are you hoping for?

The whole world has been trying to create a \$100 laptop and has failed. This device with wi-fi, GPRS, one that works as a phone has an MRP of Rs 2,999. We are not surprised anymore when a rickshawalla has a mobile phone. What if a few years from now, we aren't surprised that his kids are using the internet. Two months ago, we took our kids for a rickshaw ride. After the ride, the rickshawalla gave me a business card with his number and said, "Sir, give me a missed call and I'll come." They are not illiterate, give them the opportunity — watch what they'll do. I want to make lots of profit but I realize that the way to make it is to go after the billion Indians who are cut off.

Is it the iPad of the poor?

It's the computer and internet of the masses. It's not the iPad. The iPad is a sexy, gorgeous product. I shy away from the word 'poor' — being poor is relative. When your neighbour buys a Bentley, you are poor. For some guy, living in the outskirts of Patna, the tablet could be a fantastic product. When we thought of a device for the Indian consumer, it was the USB, the multimedia experience, a good internet experience that were important. When I took on this project, my board said, "You will work on an Indian government product? Oh my god, leave it." I said it's an open tender and the lowest cost; who will ask (a bribe) on what basis? In the next bidding, I will try again to drive the price even lower.

Were you inspired by Steve Jobs?

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To me, it was his vision that it shouldn't require technologists to use computers, that it should be a common man's thing.