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RAMCO SYSTEMS: PRODUCT MANAGEMENT

Abhishek Kumar and Sankaran Muniandy have written this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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In 2016, Virender Aggarwal, the chief executive officer (CEO) of Ramco Systems Limited (Ramco) in Chennai, India, contemplated the round-table meeting that he had been anticipating for nearly a year. The occasion had finally arrived, yet he sought greater clarity. Since taking charge of Ramco, a product company in the information technology (IT) domain, he had harnessed the organization’s capacity for innovation, and this had had an effect on the company’s top line, or gross revenues, and its bottom line, or net earnings. As of March 31, 2016, revenues were estimated to be US$69 million,[[1]](#footnote-1) which indicated a year-over-year growth of 16 per cent, and Ramco had declared a profit of US$15.57 millon for the fiscal year 2014–2015. The revenues and number of new clients had grown across all three of the company’s product lines (see Exhibit 1). Clients from several new geographic locations had been added, and the growth curve was steep and healthy.

However, the company faced challenges, mainly related to its three products, all of which involved peculiar demands. Aggarwal needed to decide on appropriate purposes and effective processes to strengthen these product portfolios. To do so, he needed to consider the time required for each product to stabilize before introducing new features, and he needed to create an organizational culture that would facilitate innovation across the board (see Exhibit 2). He was also concerned about competition from new e-commerce start-ups in other countries, whose disruptive revenue and business models were attracting valuations in billions of dollars despite the losses showing on their balance sheets. By contrast, Ramco was not only profitable but also showed increased profitability and revenues. However, Ramco had to fight the market perception that India was predominantly a provider of IT services and show that an Indian company could also build enterprise-class products.

Ramco was founded in 1992 and offered three main products: cloud-based enterprise resource planning (ERP) systems, aviation software, and human capital management (HCM) systems and software. It was one of the few product companies that had continued to grow within India’s IT sector. Most other similar companies had either folded or been acquired by global giants. A product company typically thrived on innovation because this conferred a continuous competitive edge. Aggarwal understood that, in order to drive innovation across the organization, the company would have to address issues related to work culture. Ramco was known for its conventional style of functioning, and this image needed to be shaken and reinvented to better fit the prevailing industry and social context. The advent of social media had redefined the way people worked and played, and this posed additional challenges.

As soon as Aggarwal was seated at the round-table meeting, the head of strategy began to speak:

The changes in the way work is done are deep and sublime, and to understand their ramifications in operational terms, we need radically different means of approaching existing problems and solutions. It is imperative to have talented personnel in the system who are bred on mobility as a way of life and can create user interface (UI) solutions that are both in tune with the changing trends and reflect the futuristic vision for the product.

The strategy head was certain that he spoke for all strategic business unit (SBU) heads when he said,

People want every application to be available on their mobile; however, do they really use so many features on the go? Accordingly, should we follow a mobile-only or a mobile-also strategy while developing products? Similar to our phones, products may have thousands of applications, yet we end up using only a minuscule few. Therefore, how many resources do we commit to mobility as a product feature? [Mobility] may be a buzzword, but most often, [it] remains just that.

The chief marketing officer chipped in: “Today, almost everyone is on Facebook and Google all the time, particularly through their mobiles. When the same people are at work, they expect a similar ease with applications. Can we afford not to follow the mobile-first strategy?”

The strategy head continued, discussing the ramifications of another product, Ramco’s ERP business:

The ERP business has become complex after the introduction of the software as a service (SaaS) concept. Decision making for any of these matters without considering the revenue possibility and consequent expenditure is challenging. The trend of “everything on the Web” has helped us reach out to smaller businesses with low cost yet [excellent] solutions, through SaaS. It has also considerably reduced the commitment of the client both in terms of finances and duration of the contract to one software provider. On-premise deployment remains an attractive strategy and brings in higher revenues but involves a longer and deeper commitment to the service provider. The ratio between license fees and annual maintenance contract fees must be analyzed in detail before taking . . . decisions that require substantial capital expenditure.

As he listened to these arguments, Aggarwal could not help but reminisce about how it all began. Ramco was conceptualized as a product company in a software space that was already crowded with players that primarily offered IT services. Ramco only offered services related to its products, and these services typically included product implementation, product customization, and integration of the product with other products already in use.

Ramco started its journey by developing ERP solutions, mainly for the manufacturing industry, at a time when ERP was still a relatively unknown term not only in India but also in the Asia Pacific region. It soon expanded ERP solutions to cover all business processes across industries. Ramco then entered the aviation field in 2000 when it partnered with Boeing, which had observed Ramco’s strengths in asset maintenance solutions, application development, and HCM, which had previously been part of ERP solutions. Ramco initially offered products according to client/server architecture and subsequently restructured the architecture of its solutions for the web. It anticipated the emergence of cloud computing and SaaS, which particularly benefitted businesses that did not want to own IT assets but still wanted the best enterprise applications.

Ramco distinguished itself from other large IT organizations such as Microsoft and SAP by identifying a niche area that larger corporations were unable to cater to and by focusing on an area that required rapid innovation. It developed a mixture of tools, platforms, appropriate processes, and the required organizational culture that facilitated quick responses to unique application design and development challenges; it developed and launched products that larger corporations were either too slow to develop or too broadly focused to care for. It began developing standardized offerings and products and made these available off the shelf, with minimal need for customization. Ramco also created structures and processes related to these products for maximum leverage. Its aim was to sit comfortably somewhere between NetSuite and SAP[[2]](#footnote-2) by targeting companies that spent over US$5 million on ERP solutions, the middle ground where a company with sufficient complexity was looking for robust solutions without being tied down by the prospect of a major build and long implementation time.

BUSINESS STRUCTURE: CURATED AROUND THREE PRODUCTS

Ramco had created its organizational structure around three products—Ramco ERP on Cloud, Ramco Aviation, and Ramco HCM on Cloud—and it treated these as separate SBUs. This meant that each SBU was responsible for the profit and loss within its line of business and had to consolidate its operations to become self-sufficient and accountable. This structure also encouraged healthy competition among the SBUs.

Ramco ERP on Cloud

A typical ERP assumed both a need for infinite capacity from machine involved in manufacturing and maintenance work orders and existence of finite capacity in man. While ERP had earlier been considered useful mainly for manufacturing industries, Ramco realized that this would change and announced the launch of ERP for companies in the services industry. This product was initially introduced as Ramco Marshall and later renamed Ramco ERP to fit the overall brand architecture.

Ramco ERP integrated processes across the functions of human resources (HR), finance, project management, and customer-relationship management. It enabled both forward and backward integration with dealers and subcontractors. It could function independently at users’ locations via connections to the principal site (on-premise deployment), and it was available on the cloud (via SaaS).

The ERP business was in a transition phase worldwide. Companies that had installed ERP between 2001 and 2005 were considering updates or replacement options because their existing ERP solutions had run their course. Ramco considered this an opportunity to recommend its product, which could be integrated with other systems.

Innovations in Ramco ERP

Ramco ERP developed product applications that reduced clutter and were more decision oriented. Its product features (for example, single-screen operations for quick processing, an in-line query option, and highlighted to-do lists) promised easier and faster navigation, and minimized scrolling and clicking for key functions in receivables/payables and procurement. Hub-centric features identified and integrated all relevant screens into one screen so the ERP user could perform multiple actions such as authorization, printing, release, and reversing, and even initiate discussions. Other innovations included global tax solutions for clients residing in Malaysia, Thailand, and Australia.

In 2015–2016, Ramco ERP launched Ramco Logistics software to address third-party logistics, freight forwarding, and network service providers. Although the market was flooded with supply-chain software providers who targeted shippers and manufacturers, Ramco Logistics targeted the service providers’ market, which had witnessed a surge in demand and growth resulting from the growth in e-commerce and the need for better last-mile access. Some organizations that had recently been successful in this segment were GMK Logistics, based in Australia; AAI Worldwide Logistics Inc., based in the Philippines; and RSA Logistics, based in the United Arab Emirates. By developing an integrated system that could connect transportation, warehouse, fleet, and hub with finance and HR in the cloud, and could combine these with a command centre, memory-based planning, and an optimization engine, Ramco was able to offer a value proposition in the market.

Ramco also identified enterprise asset management (EAM) for asset-intensive industries as another niche area it could cater to. Accordingly, the company developed Ramco EAM as a cloud-based, mobile-ready product with predictive and preventive maintenance modules. It integrated this product with the finance and HCM applications of asset-centric organizations in industries such as power generation, manufacturing, and fleet management.

Ramco Aviation

Ramco leaped onto the world aviation stage when Airbus Helicopters, a global leader in civilian, government, and military helicopters, identified Ramco Aviation as a source for cloud-based maintenance information systems. The two companies signed a contract during the Paris Air Show in 2013. Under this agreement, Ramco offered functionalities for collecting and manipulating data relating to maintenance, repair, and operations (MRO), which enabled Airbus to reduce its fleet management costs through increased efficiency.

Ramco Aviation developed cloud-based aviation software for a next-generation mobile-application series it called Fly Anywhere, Mechanic Anywhere, Warehouse Anywhere, Customer Anywhere, and Approval Anywhere. It also offered a planning and optimization feature called flyMORE for long-term capacity planning; this was powered by Ramco iPO, the company’s in-memory planning and optimization engine. These features generated considerable interest among operators with fewer helicopters, small-aircraft operators, and low-cost carriers.

Innovations in Ramco Aviation

Ramco’s development of aviation-maintenance-related applications such as Approve Anywhere, Mechanic Anywhere, Customer Anywhere, Warehouse Anywhere, Route Anywhere, and Fly Anywhere incorporated several innovations to improve ease of use, particularly related to mobility. The introduction of a wearable device offering hands-free computing and straight-through processing substantially reduced the time aircraft had to remain on the ground and improved the turn-around time of critical business functions. The electronic flight bag solution, which helped crew to perform flight-management tasks more efficiently with less paperwork, was offered as an offline tablet-based solution for pilots to use before, during, and after flights. Ramco iPO was used for conducting large-line maintenance, inventory forecasting and optimization, and hangar capacity planning.

Ramco forged a tie-in with Aeroxchange, a leading electronic business network that supported all MRO business processes for buyers and sellers in the aviation industry. This was similar to partnering with an aviation MRO marketplace, and this partnership provided the customers of Ramco Aviation with access to components and repair services on Aeroxchange. It also facilitated product integration and gave both companies access to the other’s networks in the aviation MRO market, thereby achieving a substantial impact.

Ramco Aviation’s customers were mainly helicopter operators, airlines, MRO businesses, and continuing airworthiness management organizations. The company continued to add more aviation-specific manufacturing companies as customers in 2015 and 2016 to become a comprehensive player in the aviation sector. These new customers included Able Aerospace Services Inc., Dynamic Aviation Group Inc., Southern Vietnam Helicopter Company, Falcon Aviation, and Sundance Helicopters Inc. Ramco Aviation had a total of 80 customers during this period—its highest total so far—and the market research company Frost & Sullivan rated this product as a “champion” on its technology innovation matrix. The Aeronautical Repair Station Association declared that Ramco Systems was its preferred next-generation MRO IT vendor.

The year 2016 was particularly eventful for Ramco Aviation: It added the largest business-jet operator to its growing list of marquee clients and entered the market in China. It expanded into Scandinavia by signing its largest cloud deal thus far, with Patria Helicopters, an MRO based in Sweden that specialized in maintaining Bell, AgustaWestland, and Airbus helicopters used for military and civil operations. It also signed a multimillion dollar technology transformation deal with Cobham aviation, a global aerospace and defense company based in Australia.

The MRO Lab

Ramco and Air France Industries (AFI) launched an engineering laboratory in Singapore with KLM Engineering and Maintenance (KLM E&M) as their first anchor partner. This lab was the first of its kind in Asia and was supported by the Singapore Economic Development Board. It combined engineering and innovative research talent from Ramco and its partner, now known as AFI KLM E&M. The lab was an essential platform for software development in the aviation industry; employees worked on next-generation applications and developed solutions to major problems in back-end aviation. The lab focused on creating disruptive solutions (that is, solutions that created new markets) for resource optimization, wearable and smart devices—also referred to as connected devices, or the Internet of things—advanced analytics, and mobility. In addition, the lab possessed design and development capabilities in areas such as additive manufacturing, three-dimensional printing, unmanned aerial vehicles, augmented reality, and virtual reality, which aided mechanics and technicians.

Ramco In-Memory Planning and Optimization

Ramco’s iPO engine was a horizontal platform that powered all of the company’s SBUs by addressing a limitation of typical ERP systems. A typical ERP assumed both a need for infinite capacity and a finite capacity for each person and machine involved in manufacturing and maintenance work orders. The multiple constraints involved in processing this voluminous data slowed down the process flow, so companies historically preferred to use human intelligence for some types of scheduling, leaving human users in control of operations in a model that was both human-centric and time-consuming.

As a smart planning and optimization engine, Ramco iPO was equipped with the necessary algorithms to perform planning, scheduling, and optimization to honour all orders while ensuring that capacity constraints were not violated and order due dates were met. Ramco iPO operated by using all memory data, ensuring that the process was lightning fast. Such an operation was useful when real-time disruptions to original plans required organizations to replan or reschedule on the fly. The iPO engine ran an electronic agent to solve each problem, and the agent evolved to communicate and collaborate with all parties to solve the business problems across areas. Disruption in one area could result in one agent having to redo its work, but it could also lead to collaboration with other agents, triggering their respective and relevant functionalities.

Ramco HCM on Cloud

Ramco HCM on Cloud, launched in 2013–2014, quickly became popular based on features such as built-in analytics, insightful dashboards, multicountry and multicurrency payroll functions, and an ability to integrate with any standard ERP product. This newest product in the portfolio quickly became the company’s fastest engine of growth. Global conglomerates like Dabur, Bureau Veritas, and Kerzner International adopted this product. With the launch of an HCM system enabled for payrolls in China, Ramco HCM offered a single integrated platform that could address close to 88 per cent of the world’s working population. This product helped clients adhere to local statutory obligations and leverage global best practices. Ramco HCM acquired one new customer every week and grew by 115 per cent year-over-year in 2014–2015.

In 2015–2016, Ramco HCM entered the United States and added more than 100 new clients at the global rate of two new customers every week. Its footprint in the Southeast Asian, Middle Eastern, and North African markets was steadily growing, and it was gaining increasing traction in Australia. One of its prestigious clients was the Valiram Group of Malaysia, which owned more than 300 stores in Asia and Australia, and represented over 150 luxury and lifestyle brands, including Victoria’s Secret, Michael Kors, and Jimmy Choo.

Ramco HCM enhanced its offerings by forming strategic partnerships with APS Global Ltd., TRAXPayroll, and PayMaster Inc. to extend its payroll reach across Europe, the United States, and the rest of Africa. An independent global research firm, NelsonHall, evaluated the leading global payroll vendors offering outsourcing services and ranked Ramco Global Payroll as a “leader” according to its matrix and parameters, including overall capability and the ability to offer multi-country payroll. Ramco HCM beat major global HR software companies to win six awards for best HR management software, talent management software, and payroll software at the Human Resources Vendors of the Year 2015 event organized by human resource agencies in Singapore, Malaysia, and Hong Kong. In India, it won an Honour and Recognition award from CIO Choice in the human resources and global payroll software category.

Innovations in Ramco HCM

Several innovative features were developed and incorporated into Ramco HCM. It condensed users’ actions into one screen by anticipating likely transactions based on their past actions, and it provided drop-down menus that eliminated the need for typing; these features made payroll processing and time and attendance management more efficient. Innovations such as talent tagging, messaging intelligence, and a performance journal were also integrated into the product’s standard format.

Product Development at Ramco

Aggarwal admired the capability and robustness of Ramco’s product development process. It added product features that capitalized on market trends while keeping a close eye on the needs of the customers. He believed that this success was not accidental but the result of appropriate structures and relevant processes for product management, which were now delivering results. The structures provided philosophy and direction while guiding actions that enabled decision making, even at the tactical level.

Product Philosophy

Innovation was the pivot around which Ramco Systems articulated its product philosophy. The company focused on moving forward using cognitive and robotic ERP as tools to drive efficiency. The innovations in the product were woven around four simple actions that could be performed by the user: Hub It, Mail It, Thumb It, and Prompt It.

Hub It was designed as a single-screen hub through which users could perform all transactions, based on clearly defined user roles. Mail It enabled users to send mail to the system, which was intelligent enough to decipher and perform the necessary actions. The Thumb It feature enabled users to accomplish their tasks by swiping their thumbs on the mobile screen. This feature could sense the context and default the probable transactions that would be thumbed again. The Prompt It feature analyzed past data to pre-empt requirements and ready the relevant documents for action. Ramco Genie, which was created to support this feature, improved as it became familiar with users and their organizational context. These features enabled users to devote more time to growing the business rather than to running it.

Product Planning

The product planning process at Ramco involved preparing a 12–18 month product road map for all three products and then further dividing it into three-month periods for specific budgeted activities. The product planning process incorporated inputs from all key stakeholders such as business heads, presales teams, senior professionals from the implementation teams, product development teams, and customers. This planning process began once the relevant inputs were obtained from the business plan for the next financial year; preparation for the business plan began approximately three months before the end of the ongoing financial year.

Structure of the Product Management Function

The structure of the product management team enabled the product roadmap to be executed within the specified time and cost limits. The team was divided into three key functions: Every product had a dedicated product development team of 100–175 people, and its structure mirrored the structure of the SBU. The task of this team was to prepare an overall product roadmap for the SBU. A horizontals team concentrated on developing generic applications that could be incorporated into all three products across SBUs. This team developed near field communication NFC short-range high-frequency wireless communication technology, machine-driven, wearable, Internet of things, and user interface and user experience applications. Finally, a market intelligence team continually scanned the competitive environment for inspiration and to ensure the company stayed ahead.

Product-specific teams relied on multiple channels to gain inputs for preparing the product roadmap. These were the product support channel, which highlighted defects, improvement requests, and new requirements; the prospects channel, which mapped the existing product features against the requirements; the customer acquisition channel, which monitored the relevance of product features uniquely designed for a customer to the overall product roadmap; and the customer advisory council, which enlisted customers to interact with the product management team.

Stages of the Product Development Process

A typical software development life cycle consisted of a blueprint stage, detailed requirement stage, technical design stage, construction stage, unit testing stage, system testing stage, and packaging stage. The skills required for each stage were often specific to that stage. For example, the blueprint stage required domain expertise, the construction stage required employees with adequate programming skills, and the packaging stage required employees who were good at the release function.

Aggarwal marvelled at the attention that Ramco had paid to the innovation process. The institutionalization of the product development process had been achieved across all levels of the organizational and technical structures. He was particularly impressed by the innovations made at the level of technology, enterprise application assembly, and delivery platforms, including Ramco VirtualWorks and Ramco DecisionWorks, which catered to transaction functions and analytics and reporting functions, respectively. The segregation at the platform level helped ensure innovative product development across both domains.

Ramco VirtualWorks was an application assembly and delivery platform that was created by combining a model-driven product development environment, business services repository, and enterprise solution architecture based on service-oriented architecture with an enterprise event bus and enterprise information management platform. This complex platform ensured that any application development was cognitive, memory based, and equipped with a partner development kit and extension development kit to help customers create extensions in the cloud. Ramco DecisionWorks was a product suite targeted to perform complex reporting functions such as business analytics, planning, and budgeting. It was designed around web-based applications for usability, performance, and functionality.

These two platforms enabled all three products to address complex business requirements in real time. The level of complexity that could be handled was evident in features such as multitenant cloud architecture, device-specific rendering, and an in-memory engine, which made the products adaptive and intelligent.

Ramco also launched initiatives to improve digital product design for user interface and user experience applications. Project Chrysalis, launched in 2013, and the Ramco Hub, launched in 2015, were both intended to reduce clutter, simplify navigation, and make applications intelligent and context-sensitive. Hub provided a unique user experience premised on the philosophy of doing more by doing less. It provided the user with a unified view of all related functions on one screen to facilitate quick decision making. Available features included a personalized user profile that displayed only relevant information, intuitive icon-based actions, easy links for performing the next set of actions, and standardized design elements such as colour, buttons, names, and fonts.

As Aggarwal reminisced about the story of the company, he recalled the issue at hand. Ramco Systems was not listed on the New York Stock Exchange or NASDAQ but was listed on the National Stock Exchange of India and the Bombay Stock Exchange. Although Ramco’s products shared features with new social media products, such as Facebook, Google+, and Foursquare, they did not have the advantages of the ecosystem that created them. Ramco’s products were for organizations that required long, detailed, and painstaking work from their employees, and Ramco’s job was to help them do more by enabling them to do less.

Everyone in the meeting room was looking expectantly to him for an answer. He walked around the table, returned to his chair, and began his address:

Innovation cannot be performed for the sake of innovation alone; it needs to help achieve business goals on a daily basis. In addition, innovation should create new opportunities that may define the pace and direction of growth. Ultimately, the question that we must ask ourselves is, “Do we run the business or do we change the business?” Although we run the business, we cannot afford to ignore technological and other developments in the field, and we have to keep an eye on the competitors who think differently and may offer cheaper, faster, or game-changing solutions. Moreover, we have to run the business smoothly and continue to satisfy the customer every day and at every instance. A universal truth is applicable here: striking the golden mean. The processes we put in place need to help us attain that mean. Even in the case of product portfolios, this balance is relevant. The strengthening of product portfolios can be achieved through appropriate processes and an organizational culture that thrives on innovation.

Exhibit 1: Snapshot of the PERFORMANCE OF Ramco Systems ON MARCH 31, 2016

(US$ Millions)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Consolidated Information According to Product and Geography** | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | |
| Unaudited(U)/  Audited (A) | Quarter Ended | | | | | | | | | | Year Ended March 31 | | | |
| Mar | Dec | Sep | Jun | Mar | Dec | Sep | Jun | | 2016 | | 2015 | 2014 | 2013 |
| U | U | U | U | U | U | U | U | | A | | A | A | A |
| **REVENUE BY BUSINESS STREAM** |  | | | | | | | | | | | | | |
| Products | 9.69 | 9.24 | 6.97 | 8.24 | 8.04 | 7.48 | 8.13 | | 6.19 | 34.21 | | 29.87 | 18.94 | 16.17 |
| License | 6.39 | 5.68 | 3.66 | 5.06 | 4.77 | 4.30 | 4.99 | | 3.13 | 20.85 | | 17.21 | 8.61 | 7.48 |
| Recurring | 3.30 | 3.56 | 3.31 | 3.19 | 3.27 | 3.18 | 3.13 | | 3.07 | 13.36 | | 12.66 | 10.33 | 8.69 |
| Servicing | 8.42 | 8.33 | 9.51 | 8.05 | 8.20 | 8.18 | 6.26 | | 6.31 | 34.32 | | 29.00 | 24.51 | 26.67 |
| Resale of Material | 0.24 | 0.07 | 0.04 | 0.04 | 0.09 | 0.01 | 0.11 | | 0.40 | 0.40 | | 0.60 | 0.40 | 1.70 |
| **TOTAL** | **18.36** | **17.64** | **16.52** | **16.34** | **16.33** | **15.66** | **14.50** | | **12.90** | **68.94** | | **59.47** | **43.85** | **44.53** |
| **REVENUE BY BUSINESS UNIT** |  | | | | | | | | | | | | | |
| ERP | 7.26 | 8.77 | 7.31 | 7.47 | 7.59 | 7.60 | 6.32 | | 5.62 | 30.82 | | 27.17 | 23.22 | 35.25 |
| HCM | 5.71 | 4.74 | 4.49 | 3.80 | 4.15 | 2.55 | 2.31 | | 2.50 | 18.79 | | 11.53 | 5.41 | Incl in ERP |
| AVIATION | 5.39 | 4.13 | 4.72 | 5.07 | 4.59 | 5.52 | 5.88 | | 4.78 | 19.32 | | 20.76 | 15.21 | 9.28 |
| **TOTAL** | **18.36** | **17.64** | **16.52** | **16.34** | **16.33** | **15.67** | **14.51** | | **12.9** | **68.93** | | **59.46** | **43.84** | **44.53** |
| **REVENUE BASED ON CUSTOMER LOCATION** |  |  |  |  |  |  |  | |  |  | |  |  |  |
| Americas | 3.30 | 3.17 | 2.74 | 3.25 | 2.57 | 3.18 | 2.49 | | 2.63 | 12.47 | | 10.87 | 11.62 | 7.73 |
| Europe | 1.08 | 0.48 | 0.79 | 0.71 | 0.59 | 0.49 | 3.09 | | 0.56 | 3.07 | | 4.69 | 2.53 | 1.98 |
| Asia Pacific | 6.12 | 5.71 | 3.64 | 4.38 | 4.25 | 3.75 | 1.85 | | 2.17 | 19.93 | | 12.08 | 5.85 | 3.24 |
| India | 4.77 | 4.31 | 4.72 | 3.87 | 4.68 | 4.29 | 4.01 | | 3.58 | 17.7 | | 16.59 | 13.71 | 23.48 |
| Middle East and North Africa | 2.41 | 3.04 | 3.41 | 2.98 | 3.09 | 2.89 | 2.37 | | 2.89 | 11.80 | | 11.25 | 5.71 | 3.64 |
| South Africa | 0.68 | 0.93 | 1.23 | 1.15 | 1.16 | 1.07 | 0.68 | | 1.07 | 3.97 | | 3.98 | 4.43 | 4.47 |
| **TOTAL** | **18.36** | **17.64** | **16.53** | **16.34** | **16.34** | **15.67** | **14.49** | | **12.9** | **68.94** | | **59.46** | **43.85** | **44.54** |
| **NUMBER OF CUSTOMERS BASED ON TRAILING 12 MONTHS’ REVENUE** |  |  |  |  |  |  |  | |  |  | |  |  |  |
| >$0.5 million | 32 | 25 | 24 | 20 | 21 | 18 | 18 | | 16 | 32 | | 21 | 15 | 9 |
| <$0.5 million | 816 | 777 | 734 | 702 | 685 | 739 | 673 | | 666 | 816 | | 685 | 665 | 685 |
| **TOTAL** |  |  |  |  |  |  |  | |  |  | |  |  |  |
| **CUSTOMER METRICS** |  |  |  |  |  |  |  | |  |  | |  |  |  |
| Revenue from new customers (%) | 42 | 41 | 27 | 26 | 25 | 26 | 35 | | 23 | 35 | | 27 | 22 | 14 |
| Number of new customers added | 49 | 43 | 40 | 25 | 37 | 29 | 25 | | 32 | 157 | | 123 | 133 | 104 |

Source: Company documents.

Exhibit 2: Life at Ramco

To drive innovation in the workplace, there was a need to disrupt Ramco’s conventional company culture and create an environment where the best talent would want to work and thrive. With this objective in mind, Ramco embarked on a cultural transformation. We envisioned a work environment that would bring the best talent, encourage their growth, and allow work to be centred on life rather than letting life revolve around work. We envisioned that this work environment would naturally prompt an employee to say, “Thank God It’s Monday!”

**Refreshed Workspace**

The new look, which was funky and colourful, involved the demolition of cubicles to create an open office.

**Healthy Workplace**

FIKA cafe was built so that employees could get their daily dose of caffeine but was also stocked with healthy bites. At the state-of-the-art cafeteria, Thank-God-it’s-Monday, calorie-measured food in the form of subsidized lunches and healthy snacks was served around the clock to employees. Yoga and Zumba classes were introduced to provide healthy avenues for taking breaks from work, and a corporate tie-in program was initiated to provide subsidized and easy access to day-to-day services such as laundry and dry cleaning.

**Confident and Fearless Workforce**

This was cultivated on an ongoing basis through a variety of initiatives:

Coffee with the CEO: This was a unique idea to break the hierarchy and maintain an open culture, with the CEO leading from the front. The employees’ interaction with the CEO was informal in nature and created an opportunity to discuss a wide range of topics. A direct hotline to the CEO was established from every corner of the office.

A truly global workforce: Being recognized as a global company meant that we needed to embrace a diverse workforce. Ramco employs people from Indonesia, Vietnam, the Philippines, and China in its workforce. In 2016, 8 per cent of its workforce was found to be from the Southeast Asia region (Singapore/Malaysia/Australia), and 26 per cent was from other regions.

**Self-Regulating and Self-Correcting Organization**

* Revenue per employee was introduced at the start of the transformation phase, and it later evolved into revenue per employee cost (RUC) as a measure. An RUC of three was the benchmark, and the SBUs were given the freedom to run their business considering the benchmark.
* All managers and above were included in the quarterly business performance-linked pay.
* Measurable targets and simplified key performance indicators were followed at Ramco. On-target earning as variable pay was introduced and constituted 10–35 per cent of the total cost to the company.

**Accelerated Growth Programs**

The Elevator program was commissioned to create, mould, and groom a pool of young talent into the leaders of tomorrow.

**A Culture that Rewards and Recognizes**

“Pat on the Back" quarterly awards and STAR awards appreciated and recognized individual performers in the SBU for each quarter. A focused award (for deal clinchers, green horn, and Pegasus types) was given according to the function/role played by employees, providing a feel-good factor.

We Truly Appreciate cards were given anytime and anywhere. On-the-spot recognition was intended to drive long-term employee motivation and engagement.

Source: Company documents.

1. All currency amounts are in US$ unless otherwise specified. [↑](#footnote-ref-1)
2. Supratim Adhikari, “Australia a Big Deal for Ramco,” *The Australian*, February 13, 2016, accessed January 31, 2017, www.theaustralian.com.au/business/technology/australia-a-big-deal-for-ramco/news-story/aa5cced15ebce85f7a3812a3cb830c81. [↑](#footnote-ref-2)