SERVICES AND SUPPORT FOR IT OR AUTOMATION

1. INTRODUCTION:

Today, the IT services business model presents a huge opportunity, one that enables value-added resellers (VARs) and system integrators to offset shrinking margins on product sales, and to address increased customer demand for outsourced IT services. However, end-user anxiety, reseller uncertainty and lack of experience, and the tepid economic recovery are preventing solutions providers from taking full advantage of the opportunity. Further, as technologies continue to evolve with increasing rapidity, it can grow even more difficult for organizations to capitalize on the managed services opportunity.

2. SERVICE & ITS APPLICATION:

At the most basic level, IT service provider (ISP) monitors and maintains a customer's IT system on a regular basis and charges a monthly fee for the service.

The primary benefit ISPs provide to the customer is third-party monitoring and maintenance, which is designed to prevent unexpected interruptions in system availability. This increases system uptime, which ultimately increases employee productivity and therefore company profitability. The value to the MSP is the predictability of income and the consistent utilization of technicians, who are expected to forestall problems or discover them early, rather than relying on the customer to report an emergency.

When the customer has a problem, the ISP is available to solve the problem, as part of the monthly fee. Following are some of the common characteristics of managed services:

• In general, the customer owns or leases the system. Customers may run equipment on their premises or have it hosted off site, whether at the MSP's data centre or at another service provider's or hosting provider's facilities.

• The ISP may go to the customer's site to perform services, but more frequently monitoring and maintenance are performed remotely.

• Services range from basic monitoring and maintenance to more extensive packages, which may include security, data storage and/ or disaster recovery, software and technology updates, document management, help desk response, firewall monitoring, intrusion detection and restoration of operations.

• With the introduction of the cloud, hardware is quickly becoming an afterthought. The ISP becomes a strategic IT advisor, averting problems and making recommendations regarding future technology needs.

3. DESIRED QUALIFICATIONS FOR PROMOTER:

Promoter for this service may have any graduation in computer science as well as networking skills plus hardware assembly and troubleshooting can be a value added plus point so that it brings down the cost of building project and also make the implementation smoother and it will require less time to build with greater quality.

4. INDUSTRY LOOK OUT AND TRENDS

Some key trends disrupting industrial manufacturing right now are having a significant effect on an aging workhorse as well. In its latest (DCS), ARC Advisory Group details the qualitative trends impacting the evolution of the DCS, including the Industrial Internet of Things (IIoT), convergence of information and operational technologies (IT/OT), and a move to more open and interoperable process automation platforms.

"ARC has been following the DCS market closely for 30 years, and we believe the technology and the market are both on the verge of significant disruptions," said Larry O'Brien, vice president of research for ARC and principal author of the study. "This is due to a combination of the intense cost pressures that owner-operators now face in major end user industries and the rapid convergence of IT and OT."

5. MARKET POTENTIAL AND MARKETING ISSUES:

The definition of IT services has wide area. One reason is that customers are demanding more sophisticated services. As technology has become increasingly embedded with business functions (for example, ERP), the ISP's functions have also become more intrinsic to the customer's business. The ISP isn't just keeping the system up and running for the business; the ISP may be running the ERP application. The second complicating factor is how fast the modes of delivering IT services are evolving. The evolution from hardware to virtualized servers to cloud-based services is happening so quickly that watching the changes is almost like watching clouds—right before your eyes, they change shapes, move across the sky, and morph from a shape that looks like a ship to one that looks like a rocket. Many companies are blending multiple modes of delivery into their service offerings.

Nonetheless, the ISP should start with the basic definition in mind: The customer's system managed and maintained on a regular basis for a monthly fee.

6. REQUIREMENTS – Material/Equipment and manpower

Resources

1. Computers with latest OS and Network Infrastructure
2. Advanced Software according to the requirement.

Manpower

1. Hardware Technician : 2 or 3 minimum, who are skilled to write code in various languages according to requirement

2. Tech-Support: 2 who can manage server data and hosting
3. Sales and marketing: 1 or 2 who can work on official documentation and can re-present project in front of client.

TROBOULESHOTTING PROCESS (Customer requirements)

Remember DOS, punch-tape back-ups, dumb desk-top terminals connected to a room-size mainframe, and IT services departments that consisted of a technician or two who scolded individual users for taking up too much memory by failing to empty their files frequently enough? Distant as they might seem, those days are only a few decades—not eons—in the past.

The following sections outline a few trends that are fuelling increased demand for IT services.

Business complexity

The days when technology could be compartmentalized as a distinct function or department within a business are over. Technology is a foundational layer of operations, regardless of the type of business.

Every business functions—whether billing, record-keeping, payroll or resource management—is dependent on technology. Those are just the support systems. Revenue-generating activities are also tied into technology. Most industries rely on increasingly complex dashboards, tracking a matrix of business elements, such as manufacturing, inventory, shipping and sales. Productivity depends on real-time capability to maintain precise reporting and coordination between those functions. Even a minimal disruption in service results in operating losses.

Erosion

As technology evolves, technological relevance erodes. The half-life of today's new technology is ever-shrinking. In other words, the IT system installed today loses value almost as quickly as a new car driven off the sales lot. Technology morphs so quickly those corporate IT departments are hard-pressed to keep up with the latest permutations, even as the technologies grow more indispensable to daily business. This has become one of the many drivers for cloud services.

Accessibility

At the same time that technology and business functions have become ever more enmeshed, modes of access are rapidly evolving. Technology is no longer tethered to a desk—or even a computer. Development projects for smartphones and tablets will outnumber PC projects by a ratio of four to one. Mobility increases the demand for 24/7, worldwide accessibility and support services. Look around the next time you exit an airplane. How many fellow passengers have pulled out their smartphones to check their emails, respond to text messages—or merely check the time, because they no longer wear a wristwatch? How many are uploading files created during their five-hour cross-country journey? In fact, with wireless Internet available on many airlines, how many were online and collaborating with their peers while flying. Thus creating clear and detailed services with dedicated technical supporters is one of the key challenges facing ISPs today.

7. SERVICE PROCESS OUTLINE:

Full drawing & design agencies typically employ graphic designers and copywriters or contract with trusted outside firms. Since printing is a specialized industry, agencies will handle this function through a printing partner. Graphic design, copywriting and printing are vital elements of the overall ad program.

Have a production process, and follow it. It is important to create clear, easy-to-follow workflows for every kind of project. This ensures that steps aren't missed and that the final product has been vetted at each essential stage.

Create a culture that would not workarounds for anyone—even the owner. Make sure that the production process applies to everyone, no matter what rank they carry. If clients insist on special treatment or believe they don't need the expense of extra steps, they're not giving you the opportunity to provide your best work.

Encourage critical system implementation. Make it worth your employees' time to use the right systems to accomplish their tasks. Efficiency and productivity boosts benefit both your employees *and* your bottom line.

Hold regular, mandatory traffic meetings to stay updated on project statuses. Traffic meetings aren't optional. They keep projects on time and on budget. Use them to your advantage.

Create templates for frequently used processes and tasks. Make it as easy as possible for your team to ensure there's uniformity in your information and methods.

Leverage technology to make processes seamless and easy. There are many good software tools out there. Be sure to give your company and employees the tools they need to do the best job they can.

8. MANPOWER REQUIREMENT:

Sr. No.	Designation of Employees	Number of Employees	Monthly Salary ₹	Total Amount
1	Hardware technician	3	15,000	45,000
2	Tech Support	1	8,000	8,000
3	Marketing Support	2	10,000	20,000
4	Quality testing person	1	15,000	15,000
5	Accounts/Stores Assistant	1	12,500	12,500
6	Office Boy	1	9,000	9,000
			Total	1,09,500

9. IMPLEMENTATION SCHEDULE:

The project can be implemented in 3 months' time as detailed below:

Sr. No.	Activity	Time Required (in months)
1	Acquisition of premises	1.00

2	Construction (if applicable)	1.00
3	Procurement & installation of Plant & Machinery	1.00
4	Arrangement of Finance	2.00
5	Recruitment of required manpower	1.00
	Total time required *(some activities shall run concurrently)*	3.00

10. COST OF PROJECT:

Sr. No.	Particulars	₹ in Lacs
1	Land	0.00
2	Building	0.00
3	Plant & Machinery	2.51
4	Furniture, Electrical Installations	0.50
5	Other Assets including Preliminary / Pre-operative expenses	0.63
6	Working Capital	6.24
	Total	**9.88**

11. MEANS OF FINANCE:

Bank term loans are assumed @ 75 % of fixed assets. The proposed funding pattern is as under:

Sr. No.	Particulars	₹ in Lacs
1	Promoter's contribution	2.47
2	Bank Finance	7.41
	Total	**9.88**

12. LIST OF PLANT AND MACHINERIES:

Sr. No	Description	Qtty	Amount (Rs)	Total (Rs)
1	Building Application for service Centre	1	₹ 20,000.00	₹ 20,000.00
2	Computers - with all necessary hardware and installed Windows and MS Office	5	₹ 27,000.00	₹ 1,35,000.00

3	Purchase bulk hosting services	1	₹20,000.00	₹20,000.00
3	Software licensing	1	₹ 16,000.00	₹ 16,000.00
3	Network Installation	1	₹ 10,000.00	₹ 10,000.00
4	Fixtures and fittings	1	₹ 50,000.00	₹ 50,000.00
A	**Total**			₹ **2,51,000.00**

All the Computers, its peripherals and other equipments are available from local manufacturers. The entrepreneur needs to ensure proper selection of product mix and proper type of equipments and accessories to have modern and flexible designs. Some of the suppliers of computers and accessories are as below:

1. Impressive Computers
   Hasan Ali House No. 4/41-A,
   Noor Baug, Umerkhadi,
   Mumbai - 400009,
   Maharashtra, India

2. Computer Planet
   Shop No. 1, Shaniwar Peth-53,
   Opposite Amruteshwar Mandir,
   Amruteshwar Co Operative Housing Society,
   Near Shaniwar Wada,
   Pune – 411030,
   Maharashtra, India

3. Visicube Technologies Private limited
   Door No. 1-8-315,
   Begumpet, Opposite US Consulate,
   Hyderabad - 500016,
   Telangana, India

4. Micon Automation Systems Private Limited

A-814, Siddhi Vinayak Towers,
Behind DCP Office, Makarba,
Ahmedabad - 380051,
Gujarat, India

5. Adaptek Automation Technology
No. 13, F- 3, 2nd Floor,
Main Road, Adyar Nehru Nagar,
Near H.D.F.C. Bank A.T.M.,
Chennai - 600020,
Tamil Nadu, India

13. WORKING CAPITAL CALCULATION:

The project requires working capital of Rs 6.24 lakhs as detailed below:

Sr. No.	Particulars	Gross Amt	Margin %	Margin Amt	Bank Finance
1	Inventories	3.12	0.25	0.78	2.34
2	Receivables	1.56	0.25	0.39	1.17
3	Overheads	1.56	100%	1.56	0.00
4	Creditors	-		0.00	0.00
	Total	6.24		2.73	3.51

Turnover

Sr. No	Description	Cost/month	Quantity /Month	Sales/month	Revenue/year Rs. In Lakhs
1	Business Complexity optimization	₹1,00,000	1 packages	1.00	**12.00**
2	Erosion of software and hardware	₹60,000	1 packages	0.60	**7.20**
3	Accessibility of software	₹50,000	2 packages	1.00	**12.00**

	and troubleshooting				
Total					**31.20**

14. PROFITABILITY CALCULATIONS:

Sr. No.	Particulars	UOM	Year-1	Year-2	Year-3	Year-4	Year-5
1	Capacity Utilization	%	60%	70%	80%	90%	100%
2	Sales	₹. In Lacs	18.72	21.84	24.96	28.08	31.20
3	Raw Materials & Other direct inputs	₹. In Lacs	5.71	6.66	7.61	8.56	9.51
4	Gross Margin	₹. In Lacs	13.01	15.18	17.35	19.52	21.69
5	Overheads except interest	₹. In Lacs	6.38	6.78	7.58	7.82	7.98
6	Interest	₹. In Lacs	0.74	0.74	0.49	0.37	0.30
7	Depreciation	₹. In Lacs	1.76	1.26	0.88	0.63	0.56
8	**Net Profit before tax**	₹. In Lacs	**4.13**	**6.40**	**8.40**	**10.70**	**12.85**

The basis of profitability calculation:
The growth of selling capacity will be increased 10% per year. (This is assumed by various analysis and study; it can be increased according to the selling strategy.)

Energy Costs are considered at Rs 7 per Kwh and fuel cost is considered at Rs. 65 per litre. The depreciation of plant is taken at 10-12 % and Interest costs are taken at 14 -15 % depending on type of industry.

15. BREAKEVEN ANALYSIS:

Sr. No.	Particulars	UOM	Value
1	Sales at full capacity	₹. In Lacs	31.20
2	Variable costs	₹. In Lacs	9.51
3	Fixed costs incl. interest	₹. In Lacs	8.28
4	BEP = FC/(SR-VC) x 100	% of capacity	38.16%

16. STATUTORY / GOVERNMENT APPROVALS

Bureau of Indian Standards (BIS) is operating Compulsory Registration Scheme (CRS) for Electronics & IT Goods as per the provision of Chapter IVA of THE BUREAU OF INDIAN STANDARDS RULES, 1987 for the product categories notified by MeitY.Visit official government website (Bureau of Indian Standards) for notice about products on: http://crsbis.in/BIS/

Entrepreneur may contact State Pollution Control Board where ever it is applicable.

17. BACKWARD AND FORWARD INTEGRATIONS

It is assumed that the unit will be viable at 75% efficiency on single shift basis considering 5 working days or as per demand of area per week.

The rate of interest in the scheme is taken at 11.5 % for both fixed and working capital. Due to liberalization and competition among banks, lower rate of interest is possible in future.

The prices of machinery and equipment are approximate which are ruling locally at the time of preparation of the project. When a tailor-cut project is prepared the necessary changes are to be made at the local level.

The cost of staff and labour is approximate which is ruling locally at the time of preparation of the profile. When a tailor-cut project is prepared the necessary changes are to be made.

18. TRAINING CENTERS AND COURSES

There is no specific course in repairing and assembling services, but the most authorized center is government authorized "ITI" available in all the cities across the country.

India Training institute of computer technology conducts various technical courses in different cities to enable students to make a bright career. Most of our vocational programs are job-oriented with which students can start earning the day they finish their training or

can learn them as a hobby. Students can join for any of these in vacations as all these are short-term certificate courses.

Udyamimitra portal (link : www.udyamimitra.in) can also be accessed for hand-holding services viz. application filling / project report preparation, EDP, financial Training, Skill Development, mentoring etc.

Entrepreneurship program helps to run business successfully is also available from Institutes like Entrepreneurship Development Institute of India (EDII) and its affiliates all over India.

Disclaimer:

Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.