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Wipro forms new group to create complete products

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Bangalore: IT major Wipro Technologies has just launched a new team to conceptualize and develop complete products that clients may need.

Sanjay Gupta, global head of PES (product engineering services) at the company, told TOI that clients are increasingly shifting towards handing over the entire product lifecycle responsibility to Wipro. This includes conceptualizing the product and its go-to-market strategy, designing the technology architecture and delivering the integrated product.

"The trend started emerging towards the end of the recession and has strengthened now. This has prompted us to start this new group," he said. He added that clients from the consumer electronics, personal device segment, medical electronics and telecom sectors are driving this trend.

The new team, called integrated product group, was spun off from Wipro's product engineering service (PES) practice, which has

been ranked by consultancy firm Zinnov as the No. 1 outsourced product development group in the world. The team has a mix of engineers from the existing PES team and also a bunch of new recruits. Currently the team forms around 1,000 of the 18,000 engineers in the PES business. The team is divided into three practices - consulting, architecture and delivery team.

NEW STRATEGY

Most of the PES or outsourced product development work done in India today is co-engineered, where clients give specifications and the service provider offers technical solutions. Therefore Indian IT companies typically do not start working on products from scratch.

Wipro's integrated product group works like a system integrator by working on the software and chip components, while also creating an ecosystem with original design and hardware manufacturers to integrate the final product.

The company has just won a contract from an US-

based consumer electronics company with a brief to develop a Christmas television for the holiday season.

The integrated product group contributes about 10% of the PES revenues for the company, and the PES team contributes around 8% of Wipro's overall IT services revenues. The company plans to further expand the integrated product group, particularly with lateral hires.

A recent Zinnov report on global R&D service providers said that Indian IT companies are increasingly being looked at as partners for front-end collaboration with a shared product vision.

This is being driven by trends such as virtualization and mobility where Indian vendors have developed capabilities, faster go-to-market time frames, cost efficiency etc.

Also, the ageing population and shrinking engineering teams in the West is keeping Indian IT companies in demand.

Besides Wipro, other major players in outsourced product development include MindTree, HCL Tech, Infotech and Persistent.