



Analysis on impact of Automation in Remote IT Infrastructure Management (RIM) Services in India

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I. INTRODUCTION OF RIM

IT Infrastructure services market is undergoing a distraction due to multiple factors. One important driver of this distraction is Remote Infrastructure Management (RIM) service. From last few years we have seen the offshoring of IT Infrastructure work from USA & Europe region where the administration of IT infrastructure is being done from the remote locations like India, South East Asian countries like Philippines etc., this is called the Remote Infrastructure Management (RIM) services. Where Indian IT services companies like Infosys, Wipro & TCS has grabbed the largest pie of this work. This includes Server, Database, and Storage, Desktops, Network & other IT assets Management & operations. This offshoring of IT Infrastructure services started majorly because of cost difference between USA, Europe & outsourced countries like India & Philippines.

Remote Infrastructure Management (RIM)

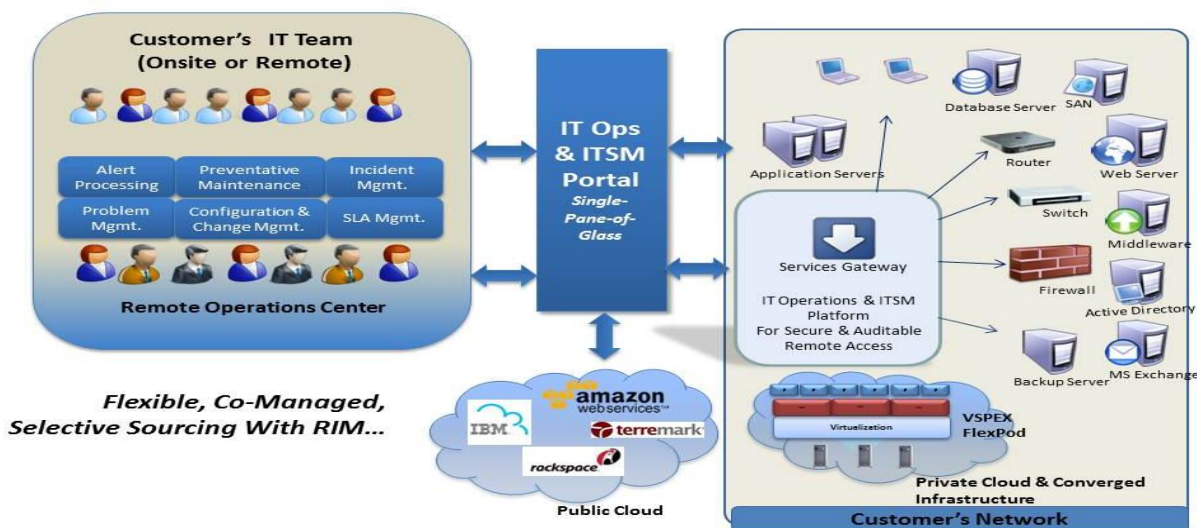


Fig.1. Structure of Remote Infrastructure Management

II. ORGANIZATION OF OUR PAPER

Our research paper is based on the findings of a survey conducted with the total number of 200 respondents from various IT companies of India. It includes the tier 1 IT services companies like Wipro, TCS, Infosys as well as tier 2 companies Tech Mahindra and Mphasis Ltd.

Here in this survey we enquired about the Importance of Automation in RIM services, current spending of these companies in Automation as well as the future of RIM services because of the Automation services.

III. IMPORTANCE OF AUTOMATION IN RIM SERVICES

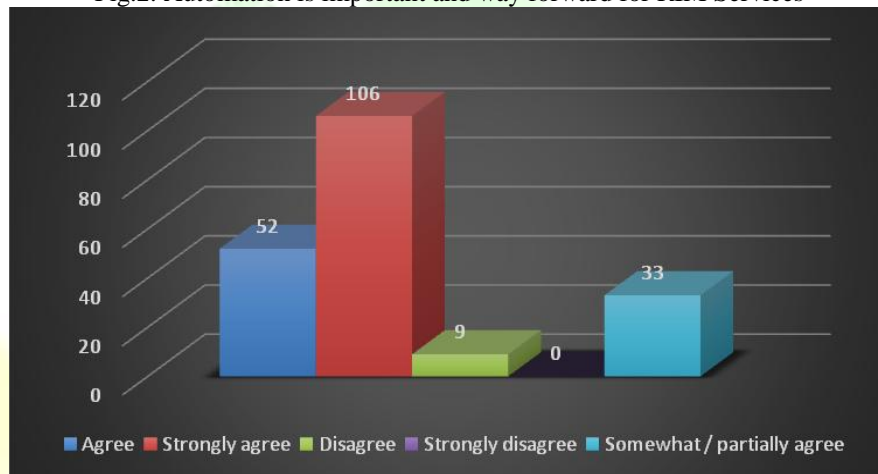
“Intelligent Automation-as-a-Service” is a genuine lever for enterprises to pull for further productivity gains beyond low-cost offshore labor. Automation is one thing that sets tongues wagging in the Indian IT industry. How much deeper will Automation penetrate the country’s lucrative IT industry? The \$160 billion Indian IT industry has witnessed effective implementation of automation. This development has paved the way for companies to not just scale up productivity but also to remain cost-efficient. A market replete with cut-throat competition, Indian IT companies are feeling the ‘pressure’ to protect their margins and are increasingly using automation platforms to improve their profitability.

As per the leading IT Services companies, automation is the only way forward for RIM Services. Initially customers were offshoring IT Services just to get cost advantage due to labor cost difference between USA & RIM Provider Company.

However from last few years because of the cost pressure & competition from other service providers the customer are not only looking for cost they are equally checking the delivery quality provided by the RIM providers.

To enhance the quality & reduce the cost the only option RIM companies are having to automate as much as possible. Because of Automation manual effort are being reduced & quality of services are being improved since there is no manual intervention & hence every time the work is being done without any error hence reducing the defects as well as the quality.

Fig.2. Automation is important and way forward for RIM Services

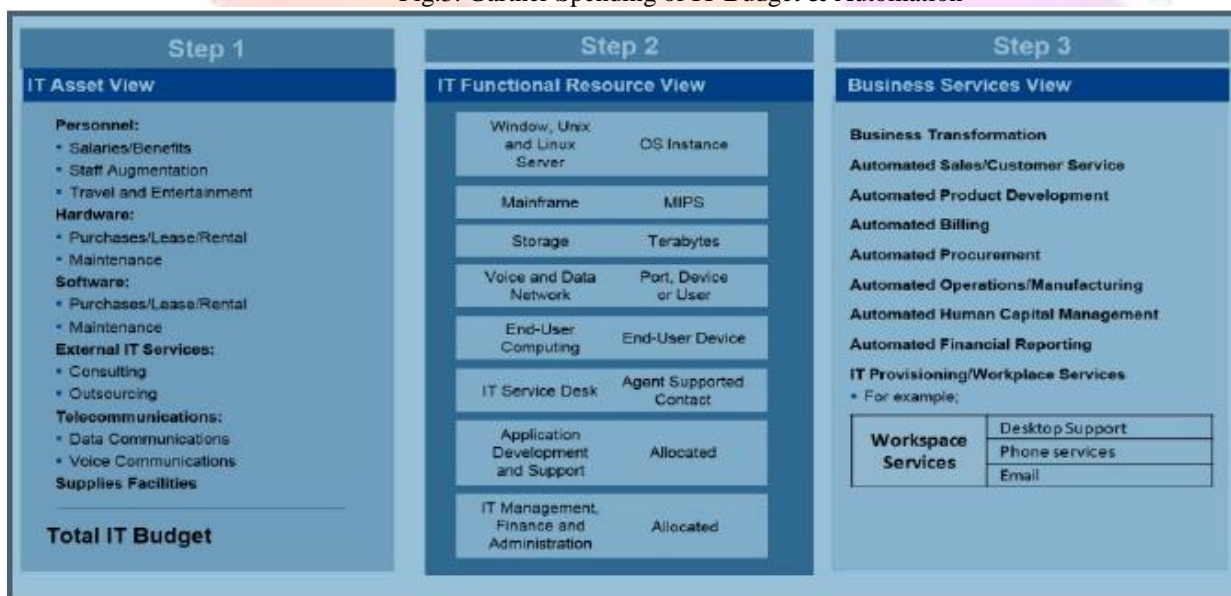


IV. CURRENT SPENDING IN AUTOMATION

As per our survey Automation & Cloud has become the biggest theme in the Strategic investment for any RIM provider. All these RIM Service providers are investing in automation platforms like IPSoft, Arago. These Automation tools claims to automate up to 70% of the RIM manual effort.

As per Gartner, total IT budget will have major component over Automation & from the business stand point everything would be automated as per step 3 in below figure 3.

Fig.3. Gartner Spending of IT Budget & Automation

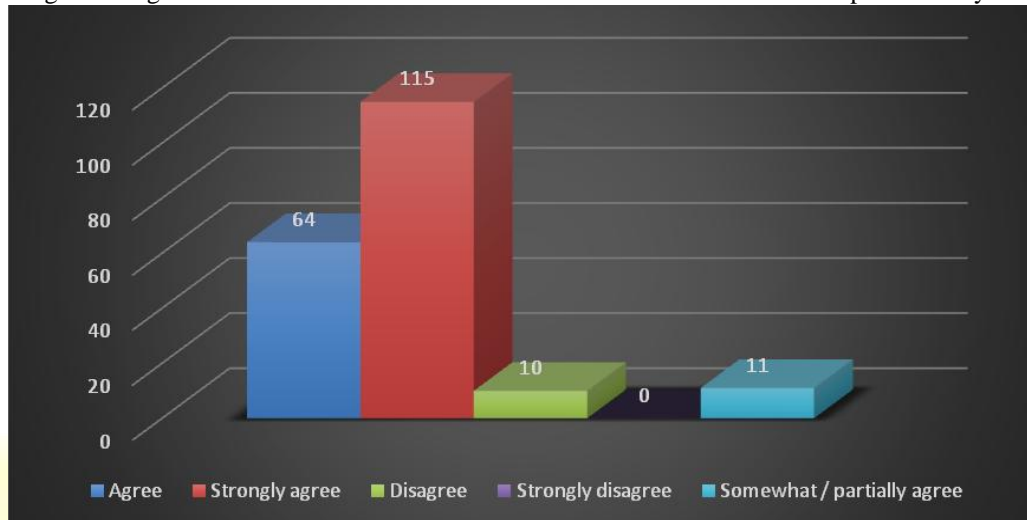


Apart from these automation tools many of the RIM providers are working & implementing cloud services also. Because of Cloud services many of the manual work related to provisioning of Servers, Storage & Database can be automated & it can happen on the fly at the cloud platform.

AWS & Microsoft Azure are the example of Public cloud however many providers are going for Virtual Private Cloud (VPC) also to achieve Cloud benefits as well as staying away from Public Cloud because of the security reasons.

Below chart shows the response from various stakeholders on whether Strategic Investment in Automation / Cloud Services has increased compare to last year.

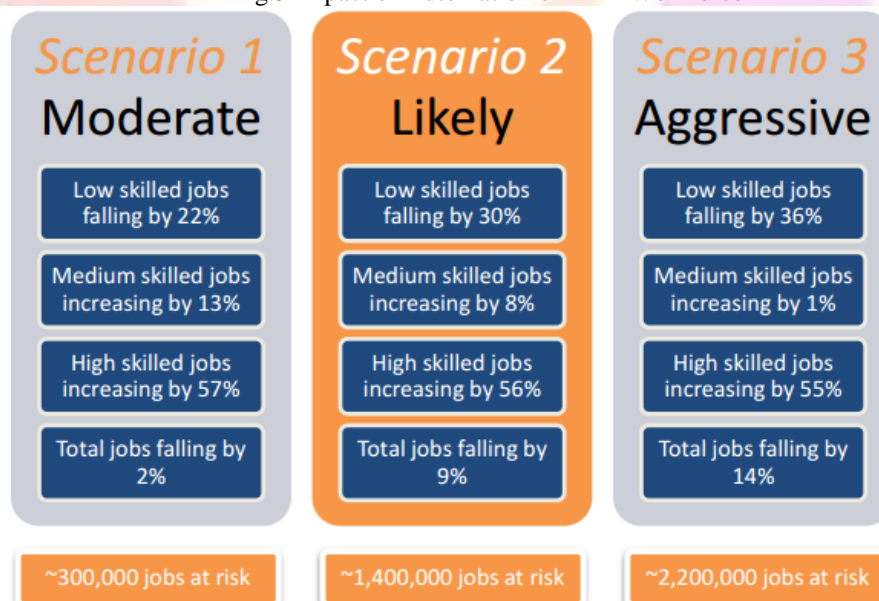
Fig.4 Strategic Investment in Automation / Cloud Services has increased compare to last year



V. FUTURE OF RIM SERVICES BECAUSE OF THE AUTOMATION SERVICES

Below exhibit (Fig 5) shows three Automation Impact Scenarios for the IT and BPO services industry, ranging from a modest/conservative prediction which is a continuation of current Automation use to a scenario we consider more likely where adoption of Automation and more Intelligent Automation increases to an aggressive scenario, where automation adoption hits a broader range of the skills. If we examine the most likely outcome, Scenario 2, we see strong growth for highly and medium skilled personnel—with highly skilled positions in our industry increasing by 56%, and medium-skilled by 8%. However, low skilled, routine jobs drop 30% as many of these roles get phased out over the next 5 years, resulting in a net loss of 9% of jobs, totalling 1.4 million.

Fig.5 Impact of Automation on RIM Workforce



Source: HFS Future Workforce Impact Model, 2016. Research sources: 1477 industry stakeholder interviews 2015-16, NASSCOM, US National Bureau of Labor Statistics, UK ONS, Selected others, HFS Analyst judgment



Satish Thiagarajan of Cognizant (2013) reported that Unprecedented and continuous changes in innovation, automation, business and society oblige associations to change themselves so as to stay significant and drive development. This major movement obliges organizations to reexamine and rewire their general IT system and frameworks, and their client confronting business operations. Remote framework administration (RIM) is a basic part in this reconsidering and rewiring, as it empowers the new abilities and administration brilliance that today's associations need to contend. Organizations that source foundation administration can free key assets to arrange and execute new business benefits that will be driven and bolstered by social, portable, examination and cloud administrations and capacities. To give this versatility, transformational RIM administrations must empower the undertaking to fuse and bolster cloud-driven administrations. These administrations must, where fitting, influence interests in existing administration and checking apparatuses. On the off chance that those instruments can't bolster business necessities, RIM administration suppliers need to give their own particular ITIL-based operations structure and work process motors.

VI. RESEARCH METHODOLOGIES

The system that will be followed in exploration will be ex-posto facto research, assessment research, and meeting of organizations utilizing RIM.

EX-POST FACTO RESEARCH:

The information distributed in a few retail magazine, diaries, productions, sites and result of the few reviews directed by distinctive exploration offices will be utilized for the examination.

PERSONAL INTERVIEW OR MEETING TECHNIQUE:

Meeting method will be utilized to get data with respect to the achievability and their shopping knowledge of RIM; the degree to which they pay consideration on the substance and necessities to set up RIM that fulfill needs. This system will be utilized with a perspective to get more data than the auxiliary information. It will be organized meeting in light of arranged grouping of inquiry. The connection of the meeting will be prevailed in accordance with the protest of the exploration. The extent of the exploration would be covering little and huge IT organizations of India. The study will primarily concentrate on organizations that are utilizing or wanting to utilize RIM.

VII. LIMITATIONS OF STUDY

Following are the limitations for the research study work & the results may vary because of these limitations: This study is mainly for the Indian IT RIM Services companies & non-Indian IT services companies are not into the scope for the study. All RIM Service providers from other countries are kept out from this study. Many large multinational companies have established their captive centers in India to provide RIM services to entire enterprise, such companies are also kept outside of this study. All the Indian IT RIM providers with less than USD 20M revenue (from RIM Business) are kept outside of this study. Many of such IT companies are doing business and part of USD 4B market cap for RIM Services.

IT Service market is changing at very faster rate, it may affect the study since assumptions and pointers taken during the start of the study may get change during course of the study. The data collection would happen through online questioner and surveys & there is possibility of not getting accurate data & hence results may vary. There would be regular limitations for use of statistical errors while data processing and analysis, this comes as an part and parcel of statistical tools.

VIII. CONCLUSION

This study is used to find the Analysis on impact of Automation in Remote IT Infrastructure Management (RIM) services in India. As per this analysis we concluded that Automation is the key to retain RIM business for Indian IT service providers & all Indian RIM providers have understood this. All RIM Services vendors are increasing their investment in Automation, Cloud & next gen technologies to stay relevant & retain the existing business. There is a fear if these RIM service providers are not moving towards the automation, cloud or next gen disturbing technologies then they can't be in the path of relevance and lose business to other vendors who are ahead of the curve in technology & automation. With this the objective of this study have been achieved with our research methodologies.

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