

# From the 'Lab is my world' to the 'World is my Lab'

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# GIN as a four stage process

- First, MNCs (or firms from India) use India as a base for innovative work for exports by relying on low-cost but high skill labor.
- Second, firms use Indian skills to localize products and services developed for other markets.
- Third, firms develop products uniquely for the local market, rather than merely trimming functionality or the prices of products offered for markets elsewhere.
- Fourth, products developed for the local market are exported to markets elsewhere where similar product characteristics are sought.

# GIN and two institutional mechanisms

Our interviews also show that following this trajectory in GINs has been on the basis of two types of institutional anchors within India:

- systems integrators who are able to integrate technologies from different technical layers of the industry,
- those who provide access to the market either directly or as intermediaries.

Given below is an outline of specific details from interviews with various firms.

# Firm 1 Global Development Center -1

The “Firm 1 east” center in Bangalore replicates most functions in the headquarters in San Jose.

The establishment of this center acknowledged a rapidly growing Indian market, and markets in close proximity. It was also an acknowledgement of the presence of institutions within India to cater to these markets.

Firm 1, a firm best known for its presence in the physical and network layers, is increasingly working to provide solutions closer to the customer.

Firm 1 works with large systems integrators from India with wider global presence – like Infosys and Wipro – for their capabilities in systems design and turnkey solutions to offer turnkey solutions to global customers.

# Firm 1 Global Development Center -2

Firm 1 is also developing a new set of partners to reach out and deliver innovation. For instance, it works with real estate developers in its 'smart communities' product,

Likewise, Firm 1 has acquired Indian firms and is also working with partners, such as local governments, to deploy low cost wireless and solutions for the education and health.

To ensure that this process is understood across the firms, and it loses its 'San Jose centricity", employees from San Jose are routinely posted in Bangalore.

# Firm 2 - I

Firm 2, India's second largest MNC in IT services, was established to handle innovation within Firm 3.

Firm 3 had internal R&D attached to individual Business Units (when they were a <\$200 M company), they decided on a centralized facility to showcase their innovation and project delivery capabilities.

Firm 2 seeks emerging technology opportunities like Cloud, SAAS models etc., to create IPR and to provide possible product scenarios for future products of its customers.

# Firm 2

Firm 2 concentrates on innovations on the engineering aspects of new technologies so that customers can bring about organizational transformation.

Firm 2 has also been actively applying for patents and most of these have been in the area of platforms and tools required to improve the delivery capabilities.

# Firm 4 - 1

Although Firm 4 sold its telecommunications business to an entity that became Firm 5, Firm 4 still has a team working on a number of innovations, in the form of applications for the local market in India using telecommunications.

Firm 4 partners with NGOs, who are 'hands on', to gain an understanding of the markets they are seeking to serve.

For instance, the firm works with the Christian Medical College, Vellore, to build databases for primary health care that can be captured using mobile phones.



# Firm 4 - 2

Firm 4, the largest medical equipment producer in the world, has been innovating in development of low cost diagnostic equipments that work with fluctuating power and low band-widths.

Firm 4 also works on sustainable development efforts for Indian scenarios which can later be used for other regions, even developed markets.

Although Firm 4 is a world leader role in switchgears, they were developed in Germany. Firm 4 is now developing new rugged low cost designs to be used in India's unreliable rural electrical systems.

# Firm 5 Networks -1

Given the technological legacy of Firm 4 and Firm 6, Firm 5 in Bangalore began by working to specifications provided by groups elsewhere.

However, after the center in Bangalore began to prove itself, and thanks to technological changes, the technical architecting for many products has gradually shifted to Bangalore. This is expected to be a precursor to shifting business responsibility.

# Firm 5 Networks - 2

One area where business responsibility has shifted to India is Global Services, headquartered in Gurgaon (outside New Delhi).

As Indian telecommunications service providers focus almost exclusively on service provision in the world's second fastest growing market, they rely on suppliers such as Firm 5 to lease, operate and maintain the infrastructure.

Since this innovation, in the form of a business model, originated in India the Global Services group is run from India. This model was also exported to other parts of the world and now accounts for about 50% of the firm's global revenues.

# The 'lab is my world' to the 'world is my lab'

While firms are important legal entities in the network society, there have been changes in their operational strategies.

Business units within firms cross fuzzy corporate boundaries to explore opportunities for working with units of other organizations (not limited to firms) to collectively constitute GINs that seek new markets and innovative means to serve such markets.

This effort was succinctly described by an interviewee as representing a shift from the “lab is my world” to the “world is my lab” view.