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CMO SPEAK NITIN PAI

## “ABOUT 90% OF WHAT YOU SEE IN THE MARKET IS DESIGNED BY US”

IN AN INTERACTION WITH 4Ps B&M, NITIN PAI, VP, MARKETING, TATA ELXSI, TALKS ABOUT HIS FIRM'S GLOBAL PLANS IN THE AREAS OF ANIMATION AND SPECIAL EFFECTS AND HOW IT PLANS TO STRENGTHEN ITS MARKET POSITION IN OTHER AREAS OF SOFTWARE DEVELOPMENT AND INDUSTRIAL DESIGN

■ Sugandh Singh

**I**n his over 14 years' tenure at Tata Elxsi, Nitin Pai has held various key positions across Embedded Product Design, Industrial Design and Systems Integration Business. He joined Tata Elxsi in 1996 as a product manager and within three years he was responsible for driving the company's service offerings for industrial design, growing it into India's leading industrial design and product design service provider. In 2005, Pai moved to heading the marketing function, a position he oversees till date besides also looking after the media relations function for Tata Elxsi. He holds a B.E (Hons) degree in Mechanical Engineering from BITS Pilani, and a degree in Executive General Management from IIM, Bangalore.

**You oversee four key divisions at Tata Elxsi, namely embedded product design, industrial design, visual computing labs and systems integration. How is it that the embedded product design vertical contributes over 85% to your revenue?**

NITIN PAI  
VP, MARKETING,  
TATA ELXSI



## TATA ELXSI IN NEWS

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In India, Tata Elxsi is a market leader in the product design vertical. We have the largest team of any other firm in the whole of Asia. Tata Elxsi has rich expertise with over 5,000 people engaged in developing firmware and embedded applications for a wide range of products. We cater to the areas of automotive controls and infotainment, consumer devices, network telecom, media, wireless, and scientific instrumentation. About 90% of these products that you see in the market today have possibly been designed by Tata Elxsi's team.

### **Visual Computing Labs at Tata Elxsi has served numerous Bollywood clients and is increasingly venturing into Hollywood. What are your plans?**

VCL is a relatively a new division for us because embedded product design and industrial design have been there with Tata Elxsi for a long time. It is something that we launched about six years ago. We have built a fantastic portfolio of work in animation and special effects as these are two key areas we offer services in. Animation and special effects offer tremendous scope and potential for growth in India. For example, we have done work for most of Karan Johar's movies. Our work can also be seen in Amir Khan's movies, in flicks such as *Dhoom 1* and *2*, *Rang De Basanti*, *Jodha Akbar*, *Prince*, *Kal Ho Naa Ho*, *Main Hoon Na* and most of Shahrukh Khan's movies as well. Similarly, we have been working with Hollywood too. We have worked for *Spiderman 3*, *Iron Man 1*, *XXX*, *Gulliver's Travels* and many more projects. But we have always been a No. 2 Studio. Reaching to the top at the international front is what we are targeting.

### **Roadside Romeo is supposedly a landmark for Tata Elxsi.**

In 2009, the *Roadside Romeo* movie, which was India's first 3D animated movie from Yash Raj Films and Walt Disney Pictures, was entirely created by Tata Elxsi. The movie unfortunately didn't do well at the box office but it was India's first of a kind and was endorsed by Walt Disney. The movie provided a fantastic experience and

offered many avenues for innovation and experiments for Tata Elxsi. It went on to win almost every prestigious award in the world for its brilliant animation, including a nomination to Visual Effects Society Awards in Hollywood, which is equivalent to the Oscars for Animation & Special Effects. We have opened a studio in LA, Hollywood, and staffed it with some of the best talent in the industry. We have got people like Joel Hinek who is a double academy award winner and has done movies like *Predator*. We got him as our Visual Effects Supervisor in LA. The idea was to get creative people to represent us and our studio in the US and win big projects because we don't want to be a small player anymore. All of the trailers that were done in 3D for *Clash of the Title* were made by Tata

**“Besides software, we offer solutions for companies doing analytics, simulation for products, crash analysis for cars, simulation exercise for missiles, etc.”**

Elxsi. So, we have been doing a lot of good work and the idea is to scale up our presence in the Hollywood industry and become a prime studio. In India, the market is very small and the budgets are already squeezed. So we look out to Hollywood for expansion.

### **Despite an impressive profile in such niche verticals, there was still noticeable decline in the profitability of Tata Elxsi...**

Traditionally, our profits have been hovering at anywhere between 14 to 17 to 18% range. In our good year, which was 2007-08, we got right up to 17-18% bot-

tom line. The last two years have not been easy at all. We saw that impact across industries. Telecom, electronics, automobiles... all saw business downturn. The number of new projects started by company fell. We saw revenues decline, and margins decline by 11-12%. Pricing took a hit, not because customers asked for lower prices, but because we did not have the same volume that we wanted. But even then, we didn't lay off a single employee because manpower loss for us is loss of specialised skill. We did whatever we could for our employees during the recession. These were the reasons for the decline in margins and revenues.

### **What is the kinds of work you take up for your clients?**

There are certain projects where we work with the company to create its product and software design. We have accounts with some of the industrial design companies and we are now engaged with the same firms to create some of its ad content, training videos and so on. There are certain areas of synergy we look to developing for product companies. For example, VCL can help the product company market itself better. And there is system integration, which is very India specific. We represent many leading firms in India. We create hardware, software and system integrated solutions for companies. We have worked for Defence and R&D industry, where we sell high-end computing infrastructure, which are meant to do very complicated calculations. Besides selling software, we offer services and solutions for companies doing analytics, simulation for products, crash analysis for cars, simulation exercise for missiles, etc.

### **How do you reach out to your customers?**

Looking at the industry specific markets we target, it's useless for us to advertise. But we do organise industry-specific events where it's much convenient for service providers to reach customers. However, our track record serves as a testimonial and our past work is often more than convincing for potential customers. **BS**