

# SME WORLD

FOCUS ON EMERGING ENTERPRISES

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## TELEPRESENCE IS WITHIN REACH

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REMOTE AREAS

SUCCESS STORIES



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**SUNIL CHANDNA**, CEO, Stellar Data Recovery

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# LOOK BEYOND ORGANIC GROWTH

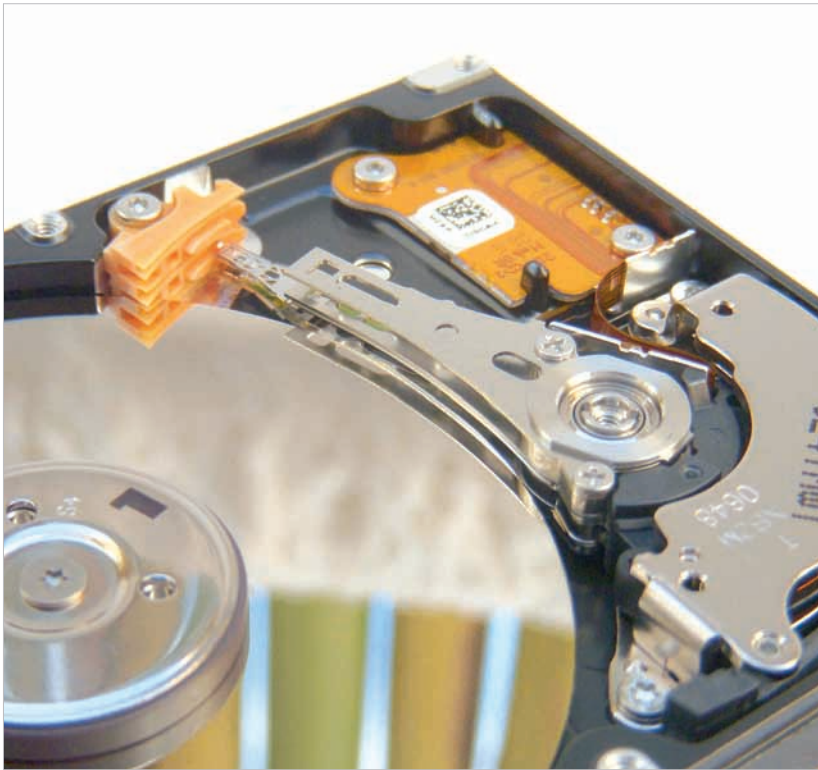
What started as a college project has grown into a multinational SME that sells data recovery solutions in 137 countries



**T**HE story of Stellar Data Recovery started in 1993, with we three batch mates— Manoj Dhingra, Kuljeet Singh and I—all computer science engineers from the University of Pune, joining together for a college project, and later giving it a commercial twist. After baby steps, we realised that software was difficult to sell in India and it was turnkey data recovery service that had more acceptance with customers. We started offering data recovery services in 1995, limiting us to the Indian market until Chernobyl virus caused widespread data loss worldwide in 1999. It proved a catalyst to Stellar's growth.

South-Asia and the Middle-East were the most affected by Chernobyl. And Stellar was the only data recovery company that had a solution to the problem. We received instant recognition from the media and were inundated with customer calls and business. Soon Stellar has clients in the UAE, Saudi Arabia, Singapore, Malaysia and South Korea.

This gave us the confidence to expand our service footprint in India and we started lab service operations in Mumbai and Bangalore in 2000. Be-



tween 2001 and 2005, Stellar started appointing distributors and resellers for its data recovery software in foreign markets. From 2002, online delivery of the software began. We never looked back since. We got customers from across the globe. In the next four years, Stellar created various types of data recovery software and met with great success. We expanded our partner network and localised products in German, French, Italian, Spanish, Japanese and Korean languages.

In 2006, we established India's first CLASS-100 clean room for data recovery. Within a year, we expanded to eight more locations in India. By 2009, Stellar had the largest portfolio of recovery tools as our product portfolio expanded to e-mail repair, database repair, file repair and password recovery. By then Stellar products were available in retail shops in Europe and North America, and we started service operations in the

US, and acquired a Dutch data recovery company—in 2009—to start service operations in Europe. Last year, we added Mac Tools—utility software products for Mac desktop and laptop—to our portfolio, and this year we topped up that with certified hard drive sanitisation services. These services help corporates and computer users to safely dispose of computer storage media at the end of the hardware lifecycle.

Today, Stellar has over one million users spread across over 137 countries, and we have won several awards and recognition for our software products worldwide.

### **THE TURNAROUND STORY**

The Dutch acquisition, of a company called RSE Data Recovery B.V.—which was renamed Stellar Data Recovery B.V.—proved another feather in our cap. RSE was making operating losses. Europe was in the middle of recession.

However, we saw an opportunity there. RSE was in business for about nine years, had a multi-lingual sales team and was servicing customers in many countries of mainland Europe.

We identified some weak areas of RSE: It had no active management & leadership; had mediocre data recovery techniques and procedures; limited infrastructure that restricted business volumes; no reseller partner network; and had no significant brand recognition outside Benelux (Belgium–Netherlands and Luxembourg.) Soon after acquisition, we appointed a chief operating officer and invested further to improve the lab infrastructure. We trained the lab team with modern data recovery techniques and procedures. The renamed company was moved a year later to a much larger facility that could handle the current business and significant growth.

Stellar continued to invest in the business to create a network of over 500 partners who resell our data recovery services. Stellar's Indian Internet marketing team was working hard to improve the internet penetration of the company, which brought more customers. We realised that to be successful in Europe, it is very important to deliver high quality services, for which customers are ready to pay a premium. Today Stellar Data Recovery BV is profitable company and is expected to grow 28% this year and over 32% in 2012.

My advise to Indian SMEs is that they should go out and explore opportunities beyond organic growth. Acquiring a business does make sense if you find synergies with your business. However, it does require strong planning and execution to create success. While it is good to keep an eye on the current global situation; one should not miss out on strategic expansion opportunities that are available at very good valuation. ■