

GTMA PLAYS A KEY ROLE IN SATYAM'S CANADIAN EXPANSION

When Satyam Computer Services Ltd. opened its global development centre in Mississauga, Ontario, on February 6, it was one more vital, strategic step forward for the fast growing IT consulting and services company.

“Expanding our capabilities in Canada increases our capacity to grow our North American business,” said Sanjay Tugnait, Satyam Country Manager – Canada. “It gives us an excellent opportunity to attract new clients in Canada, and enhances our ability to provide high quality, cost-effective ‘near-shore’ services to major clients in the U.S.”

The expansion was also another success story for the Greater Toronto Marketing Alliance (GTMA). The organization, whose mandate is to attract new business to the GTA, helped convince Satyam management of the benefits of locating in the GTA, and provided the company with the support, encouragement and contacts it needed to fast track the establishment of its Canadian head office in Toronto. Tugnait admits that the GTMA’s support was a significant factor in the company choosing to build its development centre close to home in Mississauga.

The new Canadian development centre is one of 10 such operations around the world for Satyam, which provides software development and other IT and consulting services to blue chip clients around the world. The company is India’s fourth largest technology services firm, and a major player in the global consulting game, with more than 90 Fortune 500 companies among its growing list of clients. While Satyam is well established in most industries, the company has an especially strong presence in the automotive, financial services, pharmaceutical and telecom industries.



Satyam’s worldwide expansion reflects the company’s focus on “right sourcing.” Satyam offers its clients the ability to source work on shore, near shore and offshore, thereby maintaining high service levels while lowering overall costs. “While sourcing work offshore provides the greatest opportunity to reduce costs, locally-based resources will deliver more hands-on service,” Tugnait said. “We want to bring our clients access to both advantages.”

The company’s right sourcing model means that while Satyam now has about 60 employees working in Canada, it employs more than 200 professionals worldwide on projects for its Canadian clients.

The availability of an educated, highly-skilled workforce was one reason that Satyam located its development centre in the GTA, Tugnait noted. “There is a strong pool of high tech talent and resources in Southern Ontario,” he said. “There are excellent engineering schools nearby, and a tremendous amount of migration of talent to the area from around the world.” The company’s ambitious plans for growth mean that Satyam’s Canadian workforce will also continue to grow, bolstering high tech employment in the GTA.

Equally important to Satyam was the comparative cost advantage of a Canadian location versus one in the U.S. A recent KPMG Canada study of international cities ranks Canada as the most attractive industrialized country in which to do business, and places the GTA ahead of all U.S. cities. Tugnait estimates that Satyam's cost of operations in the GTA is about 20 percent lower than it would be in a comparable U.S. city.

While the quantifiable business advantages of the GTA impressed Satyam's management, the value added resources offered by the GTMA, which helped bring Satyam to Canada, were a major factor in clinching the development centre deal.

The GTMA brought these resources to bear on Tugnait's first visit to Toronto, setting up a full day of meetings with a number of GTMA partners – the key government, legal, financial and other facilitators who would smooth Satyam's launch in Canada. "The GTMA brought all of the right people to the table all in one day," Tugnait said. "It would have been very challenging to organize this myself."

As a result of these meetings, Tugnait established ongoing business relationships with several GTMA partners, including Scotiabank, Ian Martin Ltd., Green & Spiegel LLP and the Ministry of Economic Development & Trade.

As Satyam launched its Canadian operations, the GTMA continued to pave the way. "They helped us to build and enhance our brand presence in the market by introducing us to key Canadian business decision makers," Tugnait noted. "Clients have been very receptive to our service offering, and we're making strong progress toward building key long term business relationships."

On a personal level, Tugnait, who has worked in major cities around the world, is also impressed with the GTA's multicultural environment. "People can come here from anywhere in the world and feel at home," he said. "My family and I arrived here without a friend in Canada, and now all of our weekends are busy. We couldn't be happier about the decision to come to the GTA."