

FTD riding high on 'insourcing'

By **BIBHU RANJAN MISHRA**

Bangalore, Jan 27: While outsourcing has become the buzz word with the mushrooming of BPO and call centre companies worldwide, Future Techno Designs (FTD), a Singapore-headquartered company is riding high on 'insourcing' by not only giving technical support to the companies working in consumer electronics space, but even setting up design centres and R&D labs for them as well. And if the latest development is any indication, then FTD which has

its India head office in Bangalore, is soon going to flood the Indian market with the products of Chinese consumer electronic giant Shinco at a price which most players in the space will envy. For this, the company has reached an agreement with Shinco according to which FTD will support it in all its business in India.

Says P Bala, founder and CEO of FTD, "We will be responsible to promote Shinco's products in the Indian market apart from providing them with the technical support and design for manufacturing of chips and semi-conductors."

FTD's chance encounter with 'insourcing' concept began in 2000 when an American company Avanti requested them to set up an R&D centre in Hyderabad. The project which was completed within six months, was handed over to Avanti in 2002 and later this was acquired by Synopsys. Again in 2002, FTD bagged an order from Toshiba Corporation as per which it founded a captive company called Socrates for it. The virtual software organisation that was working for manufacturing of chips and design

for Toshiba, was later acquired by the company in 2004.

The third project 'Cisc' for the Singapore-based Creative Technology is under operation now and FTD plans to raise the current workforce from 100 to 300 before handing over it. Bala says while in case of outsourcing, the companies outsource non-core or non-critical work to their partners, in case of 'insourcing', they outsource core work and even a portion of their product design and development works. The advantage, Bala says, is apart from bagging the intellectual pro-



P Bala

erty right of the products from their captive companies, they will also ensure the right quality of the products since this is like in-house sourcing. And since they either don't have proper knowledge on the geographic locations where they want to develop their captive centres or the time to afford for that, they sometimes go after a third-party like us, says Bala adding that "we give them not just a bunch of people, but a mature organisation with all necessary infrastructure".

FTD India president N Ramakrishnan said the current understanding with Shinco is to provide it support in all aspects of business in India starting from sales to servicing. Shinco is the no-3 brand in China with at least 40-50 per cent share in DVD player market.

The formal launch of Shinco-FTD India will be announced towards the first week of February and the basic product ranges would include LCT TV, portable DVD player, car entertainment system and GPS, said Ramakrishnan adding that the prices would be 10-15 percent cheaper than that of the established players operating in the space in India.