

LITTLE LESSONS FROM HISTORY

CHAPTER 9: Indian Illusions

One of the more dubious pleasures in life is watching other people make mistakes and being able to say: “I told you so”. Despite all the failed attempts, the management of TPF installations (mostly young, enthusiastic, ambitious and ignorant; beauty may be only skin-deep, but ignorance goes all the way to the bone) persist in maintaining the illusion that TPF remote development in places like India is a real and incredibly cheap option. This has been going on for 20 years now and, as a wise man said: “he who does not learn from history is doomed to repeat it”.

The track record of these attempts is abysmal and the ones I know at least something about are listed below. For those of you who, like me, are confused by the fact that India has changed the familiar colonial names of many of its cities:

Chennai = Madras
Mumbai = Bombay

1. Early 1980's: Sabre in Sri Lanka - *DECEASED*

This was the very first one I ever heard of. A couple of Sabre employees of Sri Lankan origin persuaded Sabre to invest in setting up a TPF development shop in Colombo with a local company they would create. Sabre provided the training and infrastructure, but after about a year Sabre took all the people that had any talent and were willing to move, back to Dallas and gave up on Colombo.

2. Late 1980's: SAM in Kuala Lumpur - *DECEASED*

Around the time that Amadeus & Galileo were starting up, KLM started Hyperion, BA bought Bedford Associates and Swissair, not to be left out, started SAM (Software Alliance Malaysia) together with IBM and the Malaysian Development Corporation. Growth plans were very aggressive: 200 people to be trained in TPF and productive within 2 years. Swissair did the training, assigned 2 software sales people down to Kuala Lumpur and committed to take a minimum of 30% of the TPF development capacity. Malaysian Airlines also committed to take some portion of the development and the rest was to be sold on the open market. After training 60 people, they stopped, because the first project (EDI through check-in) had been delivered back to Swissair and its implementation in Zurich was a technical nightmare. The company struggled on for about another year, primarily doing work for the local Malaysian Airlines system, till the backers pulled out and the remaining people went into Malaysian Airlines employment.

3. 1995-97: SIA in Chennai - *DECEASED*

Singapore Airlines did a deal with some small local company in Chennai to start a shop and paid Amdahl to do all the training. After about 9 months, when the people were starting to get the hang of things, 2 groups of head-hunters arrived on the scene (1 from Sabre & 1 from EDS) and took the majority of the people off to the US. The remainder were offered jobs in Singapore at SIA.

It's strange that such intelligent and well-educated people like the Indians should prefer to work in the US for \$30 per hour, rather than in a "sweatshop" in Chennai for \$15 per day.

4. 1997-98: Galileo in Delhi - *DECEASED*

Much the same story here. Galileo started it with a great fanfare early in 1997, after 6 months the Indians started sending out their CV's over Internet: we received a lot and advised them that the best place to send their CV's to was Dallas. Money went in, little or nothing came out and mid-1998 Galileo abruptly shut it down, taking the best of the remaining people off to Swindon.

5. 1997-present: UAL in Calcutta

United started a joint venture company, Skytech Solutions, with a local software company in Calcutta. People were trained in TPF, projects were assigned, most of the code delivered to Denver had to be rewritten and the focus was changed to maintenance activities. Staff turnover was high: as in all the other examples. Once the Indians could claim 9 or more months of TPF experience (whether real experience or not) their CV's went out on the Internet to all and sundry looking for work in the developed world. Despite all this and the fact that there are less than a dozen people left, UAL had not closed it down as of early 2001, but maybe they have now.

6. 1998-present: ASDC in Chennai (SIA no. 2)

Now this is new: after 1 failed attempt, SIA tries again (the Chinese must be persistent people), this time with TATA in Chennai and it has an impressive name: Aviation Software Development Consultancy (ASDC). It is organisationally a part of TCS (TATA Consultancy Services) and minority owned by SIA. Amdahl again did all the initial training. However, it all had something to do with SIA's attempt to create a start-up domestic airline in India and getting around the Indian government's restrictions on the foreign ownership of airlines. That airline idea subsequently collapsed, but SIA did use ASDC to do a part of its E-Ticketing implementation. That did not go so well and at the end of the project SIA took a number of the better people to Singapore and, since then, has not assigned any more work to Chennai as far as I can establish, though they do hire in people from ASDC since it is a subsidiary.

Nevertheless, based on the SIA credentials and using TATA's worldwide sales and support organisation, first AMEX and then later KLM were persuaded to use them.

AMEX spent nearly 2 years suffering from the illusion that India was going to save them money. Throughout 2000 and 2001 groups of Indians were brought to Phoenix for training, but many disappeared without warning part way through the process and those that remained demonstrated such a low productivity level compared to comparable local technicians that AMEX never gained the confidence to assign any work to Chennai. Late in 2001, some millions poorer but considerably wiser, they cancelled the whole deal and sent the remaining Indians home.

The KLM case I am following most attentively since it is on the doorstep. However, it went on for more than a year without any concrete benefits: Indians came, went and disappeared; KLM'ers spent a considerable part of their time coaching Indians instead of doing productive work; no work was ever sent to Chennai. Then the events of 11 September 2001 hit us all. Development work dried up at KLM, but nevertheless KLM senior IT management (none of whom have any TPF background) persist with the illusion that TPF development can be done cheaper with ASDC. I fear they will be many millions poorer before the penny drops.

7. 1998-present: VISA in Calcutta

This one started in February 1998 with a group of Indians from a local company, RS Software, being trained at VISA in the US. Friends in San Francisco reported early 1999 that the first package delivered from Calcutta had to be totally rewritten to get it to work in the system. From then on they decided to use the group, which was small, to do minor maintenance and problem tickets. As of early 2002 it was still in existence.

8. 1998-2001: Speedwing in Mumbai – *DECEASED*

With a roll of drums Speedwing announced at the spring 1998 TPF User Group that a development shop with 10 experienced people (i.e. just finished TPF basic training: a 10 week course) would open its doors for external business in April. The company, SoftWorks, grew rapidly, but other than work from Speedwing itself (maintenance and small enhancements of the RTB hosting system), I have not been able to find anyone else who ever used them. When Amadeus took over all BA's TPF systems, including RTB, early in 2001 the maintenance commitment was reduced by 50%, so SoftWorks promptly fired half the people. Later in 2001 Amadeus recruited a number of the better employees left in Mumbai directly, brought them to London and dropped the Indian connection. SoftWorks then closed down.

9. 1998-2001: Hexaware in Chennai – *DECEASED*

Hexaware was doing IT work for Air Canada in other areas and had spontaneously decided to invest in developing a TPF capability. In mid-1998 they had training done by the same Indian instructor who did the training for Speedwing in Mumbai, but I heard nothing further till late 2000, when apparently EDS recruited most of the more experienced people away from them. Early in 2001 they closed down the TPF operation.

10. 2000-2000: Galileo in Delhi – *DECEASED*

Here we go again with Galileo: "if at first you don't succeed, try, try, try again". With an impressive international press release. Galileo announced in April 2000 the formation of IGT Solutions in Delhi to supply "full service TPF programming and consulting to airlines and CRSs". 60 people were to be trained in TPF, but that was the last anybody I know ever heard of it: it appears to have evaporated into thin air. Rumour had it that the start-up capital had disappeared.

11. 2000-present: EDS in Chennai

Now EDS jumps on the bandwagon, decides against working with any local Indian company (a very wise decision) and do everything from scratch: they recruit most of the people away from Hexaware, plus picked up several of those who were fired by SoftWorks, and they are off to a flying start. As of early 2002, EDS was still claiming that it was going well and had 20 experienced people on board with more to be trained.

12. 2000-2001: Atraxis in Trivandrum – *DECEASED*

Atraxis had a joint venture company in Trivandrum, IBS, which had been set up some years previously to do more mundane IT software development for the airline world. Late in 2000 they added TPF to their portfolio, with lots of Indians being trained at great expense in Zurich. However, as we all know, Atraxis went belly up in December 2001 and that was the end of that.

Undoubtedly, there have been other attempts along these lines of which I know nothing. Some people keep their dirty linen well hidden and no management anywhere, in any industry, ever admits to or advertises their failures.

In all this folly, people seem intent on making the same mistakes, over and over again. In theory TPF development in India could be done, but it has to be tackled in a radically different way from all attempts up till now and a lot more time and money has to be thrown at it. It is not a quick fix. That means the payback period is probably going to be 3-5 years and the end result is that a productive TPF person-hour in India would probably be at least 60-80% of the price in the West, not the 30-40% normally claimed.

In order to make it work, you have to understand why all attempts up till now have, and will continue, to fail dismally. It is a combination of many factors: money, culture, business morality, work practices, business insight, industry knowledge, infrastructure, organisation, social mores, market forces and, last but by no means least, the nature of TPF itself.

Bruce Taylor – Amsterdam, March 2002