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How Khoj Information Technology Found Services Growth Through the SAP Ecosystem

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Khoj Information Technology is a consulting services firm, headquartered in Ramsey, New Jersey, that specializes in delivering consulting and services on the SAP NetWeaver platform and the SAP Business Suite. Khoj has been working with SAP technology for 12 years, and for the past four years, it has had a more formal engagement with SAP as a partner. Since this partnership investment, Khoj's revenue has grown 30% year over year, and Khoj has also found that it's able to attract and retain the best talent in the business.

The following questions were posed by SAP to Steve White, program director for the Software Solutions Alliance Leadership Council, which is part of IDC's Software Business Strategies group. Steve had the opportunity to interview Ajay Dhingra, founder and president of Khoj Information Technology, about his company's partnership with SAP.

Q. Who is Khoj Information Technology, and what does the company offer?

A. Khoj is a boutique consulting services firm that focuses on SAP-related and software quality assurance services. Khoj has been in business since 1998 and has focused on building its SAP skills and services for all of those 12 years. Khoj, a Hindi word that means "to search," has been partnering with SAP more formally for the past four years.

Being a specialty boutique services provider focused on SAP technology, Khoj has found a niche delivering SAP-related services within the SAP ecosystem as an alternative to the Big 5 services firms. Khoj has predominantly focused on delivering services around the SAP NetWeaver integrated technology platform, with offerings such as systems administration, infrastructure, and technical design. The company has also expanded to offer application development as well as business process configuration on the SAP business suite.

Working with SAP and engaging with the SAP ecosystem, Khoj is finding that it's well-positioned to meet the needs of SAP's customers and to grow its business using a very interesting model.

Q. What is the market/industry context that made partnering with SAP a solid strategic choice?

A. As a provider of IT consulting and services specific to the SAP platform and products, Khoj found through its interactions with customers that there's a gap in the market below the Big 5 services companies. Over the years, as larger customers implemented their SAP systems, these firms typically either used in-house skills or worked with one of the Big 5. However,

when changes and updates were needed to their SAP technology, what Khoj heard from many of these Fortune 500 customers was that they didn't have the skills in-house.

With its expertise on the SAP platform, Khoj saw this as an opportunity to engage more deeply in a partnership with SAP. Khoj wanted to participate with SAP in the ramp-up of SAP's new products, including testing and using those products in Khoj's facility to enable it to establish a leadership position in terms of new product knowledge and service development.

Khoj is now participating with SAP testing services six months to a year ahead of new product releases. This model allows Khoj's consultants to learn the new technologies ahead of time and also create value-added services using the knowledge gained from working with the new product. Khoj has invested in this partnership significantly, including hardware investments, but the company recognizes that it provides a time-to-market advantage in delivering faster and better services to customers.

Q. What was the strategic reason that Khoj decided to partner with SAP, and what was the specific "trigger" that made it decide to invest in a partnership with SAP?

- A. Khoj had been focusing on SAP's platform and products for 12 years. The company had a growing customer base within the Fortune 500 and saw a gap in the market for specialty SAP services opening up due to the skills shortage within its customer base.

The "trigger" that made Khoj decide to invest further in its partnership was actually through working with one of its own customers. The customer in question, a Fortune 500 company, had been working successfully with Khoj and noted that it was unable to find any other partners that provided comparable services to what Khoj was delivering. As Khoj describes it, the customer almost solicited it to apply to the SAP PartnerEdge program.

This customer referral led to Khoj investing in a more formal engagement with the SAP PartnerEdge program.

Q. How has the company engaged with the SAP ecosystem?

- A. Khoj has an interesting dual view of its engagement role within the SAP ecosystem. As an SAP Partner, the company engages with all appropriate elements of the SAP PartnerEdge program. However, Khoj also interacts with other members of the SAP ecosystem on behalf of its own customers (as a de facto customer). Thus Khoj evaluates other SAP partners not only from a competitive market standpoint but also from a new solution standpoint on behalf of its customers. Khoj derives great value from seeing the larger partner landscape and also from the new solution information provided to its customers, who likewise find it very valuable.

In terms of the way Khoj engages with the SAP ecosystem, its initial focus was to understand and utilize the SAP PartnerEdge program resources and the SAP Global Partner Portal. The company has been impressed with the tools and product information available on the portal; for example, the business tools have enabled Khoj to build business plans and budgets and prioritize business. Khoj now uses these tools as a core part of its business processes.

As Khoj ventured further into its engagement with the SAP ecosystem, the company discovered that driving role-based access for its internal resources was key to leveraging the SAP investment. To this end, Khoj now engages at multiple levels — company principals, consultants, business development staff, and marketing staff all have role-based access to relevant areas within the overall SAP ecosystem.

Khoj has found that providing staff with role-specific access to relevant tools, such as the SAP PartnerEdge program, SAP EcoHub marketplace, SAP Developer Network (SDN), and SAP Service Marketplace, has meant that it's no longer necessary to broker the SAP information across the company — it happens in a relevant and organic way for the business.

In the past six months, Khoj has engaged with an SAP Partner Services Advisor (PSA) and found that working with this advisor has been extremely valuable. The PSA has gotten to know Khoj and understand its business and strategic direction. This knowledge has enabled the PSA to fine-tune advice on SAP resources that best fit Khoj's needs and help Khoj staffers navigate through SAP as well. Khoj is seeing many positives from having an advisor — it's much like having an internal business strategy group, but one provided by SAP.

Khoj also partners with other leading IT vendors and told IDC that the resources in the SAP PartnerEdge program far exceed those of the other programs.

Q. What has been the impact for Khoj?

A. Khoj has seen its revenue grow over 30% for the past two years — a previously unseen level of growth that the company attributes directly to its partnership with SAP.

In terms of marketing efforts, the partnership with SAP has also enabled Khoj to get more of a foothold within the Fortune 500 market. Khoj believes the "seal of approval" that comes with being an SAP partner, as well as working closely with SAP and across the SAP ecosystem, has enabled this stronger foothold. Khoj also highlighted that the partnership has led to winning a number of new major customers, which is uncommon because Khoj's business has historically grown mainly from within existing customers.

Interestingly, Khoj shared that the partnership's most significant impact has been on the company's ability to retain and attract talent. Through its closer working relationship with SAP, Khoj has built a model where its consultants not only can work on current technology but also have the ability to get up to speed on new developments. Khoj hasn't lost a single full-time employee since engaging more fully with the SAP relationship.

Q. What have been the key lessons learned for Khoj, and what advice does it have for other firms?

A. Khoj cited a number of key lessons and advice. First, company executives stressed that the decision to invest in working with the SAP ecosystem cannot focus on the short term. They made a strategic decision to invest in the partnership based on a near-term business opportunity, but they subsequently learned that the time and energy investment needed to engage and understand the resources available cannot occur in a short time frame. However, they have found that this investment is well worth it.

The lessons Khoj has learned through working with its PSA have also been invaluable — such as the importance of setting aside time to learn what SAP has to offer and the advice the PSA provides. Khoj ensures that time is always set aside for staff members to meet with the PSA weekly and learn from those meetings. Khoj believes that SAP is continually thinking six months to a year ahead of the market in terms of the types of services Khoj can offer, and company executives see a real ROI in making these time commitments.

The investments Khoj has made in using the SAP technology, as well as the hardware investments that complement it, have also been worthwhile because they allow the Khoj staff to experience and work on the latest technology in a real-world environment. While these capital investments should not be underestimated, they have proven to be a major competitive advantage for Khoj.

Q. What, in your opinion, is the ecosystem's "best kept secret" that Khoj found valuable?

A. The ability of Khoj to look at its peers and their solution offerings within the SAP EcoHub marketplace has enabled Khoj to make recommendations for its customers and also allowed the company to confirm whether these solutions are certified and on which versions of SAP products.

Khoj also highlighted that having a Partner Services Advisor dedicated to its business, and the interaction with this PSA, has been critical to success and satisfaction.

Q. How does Khoj plan to leverage the SAP ecosystem in the future?

A. Khoj plans to continue working with its PSA to increase engagement within the relevant areas of the SAP ecosystem. In particular, Khoj wants to work to utilize the SAP EcoHub for more effective marketing of its service offerings. Today, the company sees the SAP EcoHub as mainly a market for SAP software solutions, but there is an opportunity to drive more widespread awareness of Khoj's specialized service capabilities using this marketplace.

Khoj is also interested in working more closely with SAP services to define and build its SAP-specific service offerings and also potentially to subcontract certain services to SAP for new and existing clients.

ABOUT THIS ANALYST

Steve White is program director for the Software Solutions Alliance Leadership Council (SSALC), which is part of IDC's Software Business Strategies group. Steve works with the SSALC members to define and research the key topics that affect strategic alliance investments and provides analysis into alliance trends, best practices, and benchmarking. In the past two years, this has included in-depth council discussions on SaaS, key performance indicators, and alliance organizational best practices.

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