

# Parametric bullish on India

## Lifecycle Management: Co Sees Huge Opportunity In SME Space

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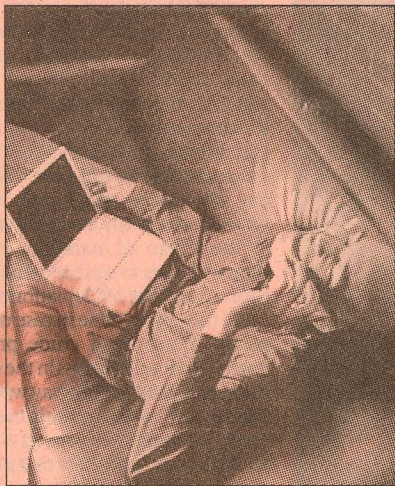
LONG BEACH (CALIFORNIA)

LIKE most other companies that see huge opportunity in the BRIC countries, Parametric Technologies (PTC), a leading player in the product lifecycle management market, is increasingly looking at China and India for the next big growth push.

While in China, the company clocked 25% growth last year, the story in India was focused till now on product development. Senior management in the company, who extensively briefed the media and analysts over two days, are increasingly betting on these markets for their products to bring in double-digit growth on a sustainable basis.

In India PTC sees a huge opportunity in the small and medium enterprises (SME) space and believe they have the right kind of product range for the design and process-dependent manufacturing sector. The shift in the geographic focus is understandable given the fact that the North American market in particular, along with western Europe, are not likely to offer huge growth potential for the products the company offers.

In some ways these mature markets have



### A LONG WAY TO GO

reached a saturation point. PTC itself has a large proportion of its customers in these mature markets and does not anticipate a significant change in the script to support the company's effort to maintain a high double-

digit growth. It did, in fact, do so last fiscal and is on its way to clock a revenue of \$1 billion this year. Not a great deal when compared with big multinationals but fairly large in the market segment it addresses.

PTC has over 30,000 customers who use its software both in design and manufacturing processes. A large number of such clients are Fortune 500 companies as well. Its share of about \$1 billion is significant given the current market size of about \$5.5 billion, growing at 10% annually.

Jim Heppelmann, chief product officer of the company, pointed out, PTC currently derives a small portion of its revenue from the SME segment. But that is a market growing at 33% a year and that is where PTC, which saw a 40% growth on a small base in this segment last year, is betting big in China and India. To showcase the benefits that SMEs could derive from the product lifecycle management solutions, PTC lined up an array of companies to share their experiences at a large user conference the company hosted. Some new product lines, largely designed to draw SMEs to its fold at affordable price points, were announced. Some of these are expected to be available a few months later.