

Helping to say 'Hello!'

A company, run by a husband-and-wife team, makes telecom equipment to public telephones all over India and abroad

The yellow Visiontek boards at the ubiquitous STD ISD PCOS dotting Indian cities, towns and wayside stops tell the story of Linkwell Telesystems, a 13-year-old company run by Hyderabad-based electronics engineer A. Krishna Prasad and his wife Radha Rani. "Actually, the concept is 18 years old, beginning with a trading company called Linkwell Electronics," says Prasad. "In 1992, we decided to get into manufacturing and launched our first product, the PCO with an electronic timer and print-out." Today, the Rs170-crore Linkwell Telesystems Pvt Ltd not only claims leadership position in PCOS all over India, but also exports to 30 countries worldwide – including Sri Lanka, Malaysia, Sudan and the Congo.

Prasad worked in Hindustan Instrumentation Ltd, later HCL, and Andhra Pradesh Electronics Development Corporation, before deciding to strike out on his own. "My father was a farmer; so, I had many motivations that pushed me into slogging in my own business," he says. "The challenge of a job is to adjust in companies with management structures; on your own, you have freedom, even if you have to pay the price for it!" Radha Rani, who was an administrator looking after examinations at the Institute for Chartered Financial Analysts of India, after her M.Sc and B.Ed, quit to link up with her husband in the business.

Beginning with the humble pay phone, Linkwell diversified into the manufacture of other telecom equipment, too: fixed wireless terminals, point-of-sale (POS) terminals, modems, Internet protocol and GSM products, as well as offering customised solutions to its customers in India and abroad. With a 6,000-sq m manufacturing facility, it employs 380 people, including those manning its eight marketing and servicing

branches across India. "We design, develop, produce, market and support some 35 products," says Prasad. "We turn out about 750 pieces of equipment every day, which we plan to raise to 1,000 – about 300,000 a year."

Almost all the private telecom operators in India, from Airtel and Hutch to Reliance and Tata Teleservices, are big Linkwell customers. "We have running contracts with all of them," says Vishwanath Ekbote, director, business development. "Apart from these, Sify and Net4India are two major ISPs (Internet service providers) that buy our PCOS for international calls using VOIP (Voice over Internet Protocol)." Having deployed over half a million units in India, Linkwell has also extended its marketing tentacles to

Southeast Asia, Latin America, the CIS, Africa and the Middle East.

Reliance Infocomm sources, however, say that though Linkwell's Visiontek POS has been certified to work on the company's CDMA solution, it has not bought any equipment from the Hyderabad company. "This party is one of many whose equipment has been certified. The option of using POS of a particular manufacturer lies with the banks," the sources explain.

Companies abroad, however, are more forthcoming. "Linkwell is efficient, proactive and understands what its customer wants," says Alex Sashitharan, CEO of the Malaysia-based Blue-I Network Sdn Bhd. "We have been working with them for the past three years and we are happy with their commitment. We are the biggest alternative payphone service provider in Malaysia. We have achieved this with the commitment

given by Linkwell." Having expanded to Thailand, the Philippines and Indonesia, Blue-I Network is now working with Linkwell on wireless payphone technology, a POS terminal and a video payphone.

Sashitharan – who picked on an Indian company because he is of Indian origin himself – declines to divulge the quantum of business, but says it's big. His company plans to roll out a wireless payphone by the end of this year in the Philippines and east Malaysia. This will be on a "large scale, easily 100,000 units for the next 12 months!" he says. Blue-I has also produced and supplied 15 million smart cards through the banks in Malaysia. With these cardholders

BUSINESS
Connectivity through public-telephone equipment, GSM modems, point-of-sale credit card terminals
ESTABLISHED
1992
LOCATION
Hyderabad
TURNOVER
Rs170 crore
CLIENTS
Telecom companies in India, Sri Lanka, Malaysia, Africa



Prasad and Radha Rani help link people across the world

needing to use POS terminals for their daily transactions, he anticipates a 'huge' number of terminals will be installed in retail outlets all over the country, he adds.

Big business

POS credit card terminals are slated to be a big business, according to Prasad. The company has tied up with VISA to supply its machines; these cost only Rs10,000 each against more than double the price quoted by multinational competitors like Verifone, he points out. "We had to redesign the machine to make it wireless, to get the EMV (European Master and VISA) approval," he says. Working on GSM, CDMA, Internet protocol or WiFi, this is Linkwell's future flagship product. Online wireless connectivity also has a horde of applications: at petrol pumps, where the attendant can bring the hand-held terminal to the car; even for home delivery of pizzas. "A policeman stopping a car can also check the ownership and other details on the spot," Prasad explains.

GABCEL, the telecom provider in Gabon, northwest Africa, has been a Linkwell customer since 2003. Unlike Sashitharan, GABCEL director-general Mbaye Moussa did not especially choose to work with an Indian company. "But after some research about GSM products, we found information about Linkwell's product in India. So we studied these products and were interested in the good quality of them. That's why we started our business with them," Moussa says. His company now buys about 600 Linkwell machines a year.

The export efforts have got official recognition in India, too. "The Electronic Software Exports Council rated us seventh with exports of Rs10 crore last year, and we are a one-star export house, which is a recognition given by the director general of foreign trade," Prasad says. "We now plan to start a separate EOU (export oriented unit)." Linkwell has also bagged a series of awards over the years – the ELCINA and Motorola awards, as well as an 'excellence in electronics' award from the Government of India.

It wasn't easy, Ekbote recalls. "We travelled with our sales team in Africa

in an aircraft that was no better than a seven-seater auto with rotors," he says. Adds Radha Rani: "And we were sitting on stools!" Sending consignments is also a problem still; but the opportunities are exciting, Ekbote says.

Linkwell has a 125 kVA generator back-up to ensure uninterrupted power for its manufacturing operation, in addition to UPS back-up for its computers. The facility also has an air-conditioned 'clean room' conforming to US Federal standards, with filtered and pressurised air ensuring a dust free environ. It has an ERP package for online handling of all planning, procurement, stores, production, quality assurance, packing and dispatch activities. A 64 kbps leased line assures continuous communication between the factory and the head office. While the company itself has ISO 9001:2000 certification, besides the telecom department's TEC specifications – as well as various standards specified by its customers – all the components it buys are screened according to IS-2500 standards. At any given time, there is a stock of 2,700 components classified into 30 categories.

"Retail automation is becoming big business in India," Prasad points out. "Things are really taking off – and we are also part of that growth." Five years from now, he sees Linkwell as one of the top five hardware companies in the private sector in the country, having made a mark on the global scene. Will it touch Rs500 crore by then? He doesn't commit himself, but says: "We grew 100 per cent last year." More than the top line, he wants to concentrate on the bottomline. "Managing growth is tough. There's no need to run and fall. I only want to establish good products, and relations with people," he says.

"Our willingness to customise our products according to our customers' specific requirements is a major differentiator that gets us business," he explains. Radha Rani agrees: "Our quick response to customers is a major strength. They like it." Prasad, despite his major expansion plans, has no plans to take the company public. "We are almost debt free, and we have reserves," he says.