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Robert Bosch Engineering believes SaaS will drive digital transformation of Indian SMEs

Dattatri Salagame, the CEO of Robert Bosch Engineering India, tells YourStory why India's B2B ecosystem is primed for transformation and the sectors that startup founders must look at.

By Vishal Krishna

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Dattatri Salagame, MD, CEO, and President of Robert Bosch Engineering and Business Solutions Pvt Ltd (RBEI),  is as familiar with the streets of Stuttgart as he is with the bylanes of Bengaluru. 

The 51-year-old has worked with RBEI for two decades and been **at the forefront of IT Services and the connected world.** Dattatri is known to work with startups proactively, egging them on to scale up solutions along with Bosch and use “technology to transform”.

RBEI, the technology arm of the \$87 billion dollar Bosch, is now

one of the world's leading suppliers of technology and services, offering end-to-end engineering, IT, and business solutions.

Dattatri, who is now **readying RBEI to be a leader in the connected world**, believes **corporates and startups must work in tandem** for the world to benefit. He wants startups to work on solutions in telemedicine, pharma, agriculture, automation in factories, energy, and retail.



Dattatri Salagame, RBEI's MD, President, and CEO

In a freewheeling interview with *YourStory*, Dattatri tells *YourStory* **how RBEI has dealt with the coronavirus-led lockdown**, how the automobile industry is preparing for the future, and **the sectors startup founders need to focus on**.

Edited excerpts from the interview:

YourStory: You have taken over just 45 days ago and have the huge responsibility of handling a 23,000-people firm. What is that like?

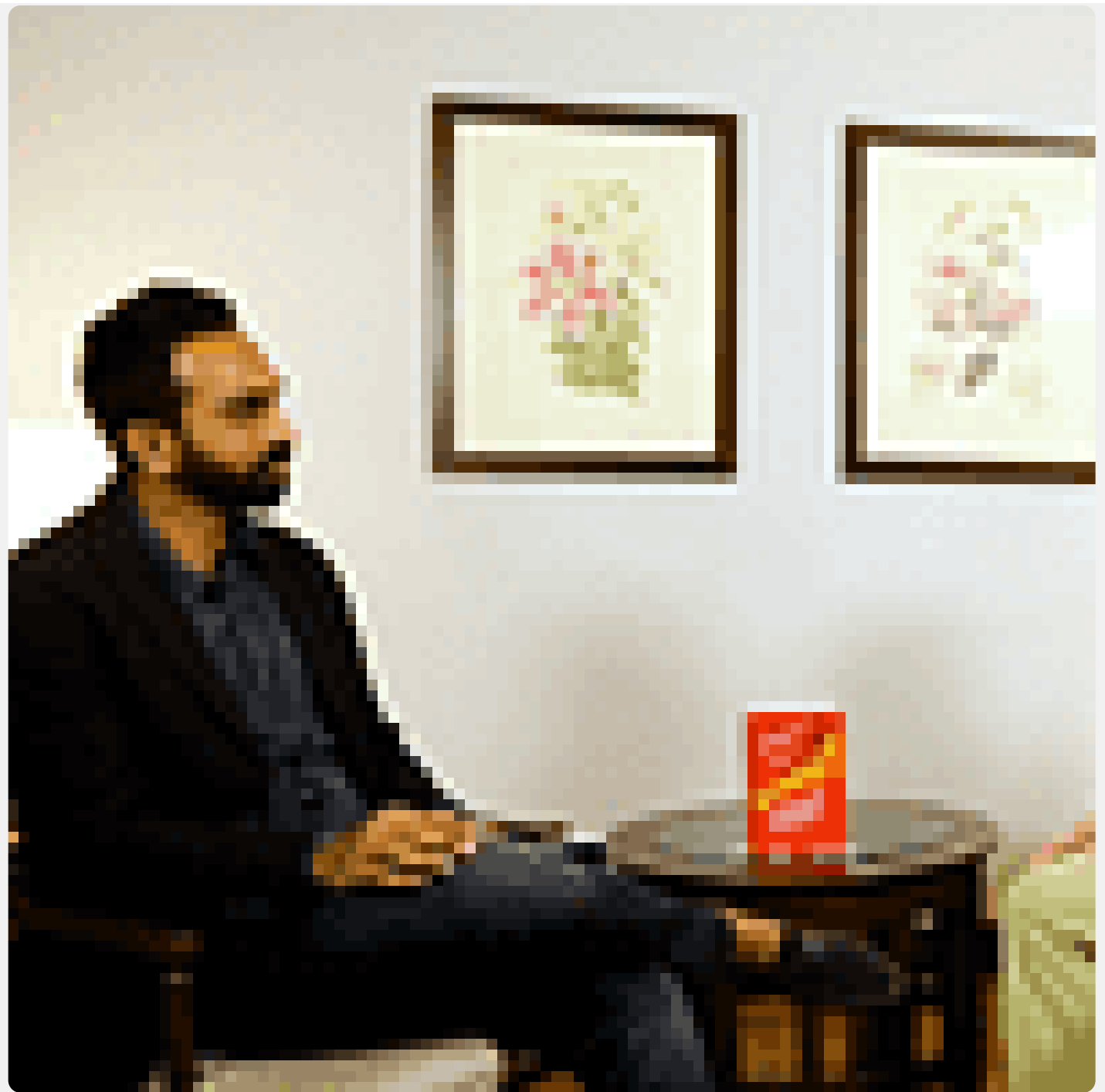
Dattatri Salagame: The reason I am excited is because **we are not joining the dots from the past**. For the next eight years, RBEI will be a very different company; **we need to create the dots**.

The connected world is coming, whether we like it or not. The biggest opportunity in front of me is to **make RBEI the most valuable technology and software company**. The quantum of software in a product is going to keep increasing. Till now, it was part of the back end; now it is going to be in the front seat.

The whole experience of driving a car is changing because of software, and we are **poised to created connected experiences for the world**. We have to set up the right pace for this transition and **build competencies to prepare for the connected world**.

We work with Indian and global corporates. When you look at the **full-stack development** for the [connected](#) world, **India has the talent to build at scale**.

We have to look at Indian use cases. See how things have changed...we started the first wave with IT Services, and the second wave was a host of digital services solving for India. A new wave is coming: the product wave. At Bosch, we have eye care and haemoglobin solutions that are locally made. This has the potential to go beyond India.



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YS: Tell us about the first few weeks of taking over as CEO. What were the initial challenges?

DS: I took over on April 1, and the biggest thing for me was moving 96 percent of

our associates to work from home amid the **coronavirus lockdown**. We are also a company that works with hardware, and **had to literally move labs to the homes of our associates**. We now have more than 20,000 employees working from home.

The pandemic has changed everything, from work to processes. However, it is a great opportunity for us.

We have told our employees that they will work from home and not lose work; it's very important for us to keep people together. It was **challenging to get 23,000 people to work from home**.

For two weeks, we were **a logistics company**, sending hardware and desktops to the houses of employees.

Earlier, there was this feeling that we were a hardware company and had to come to office, but **the pandemic has busted that myth**.

The most challenging aspect has been **managing the anxiety of employees and their worries** about the future.

We had to assure them that the industry was going to bounce back.

YS: How is the automotive industry bracing for the future?

DS: The automotive industry has been hugely affected and is **going through a structural change**. Our customers across the world have been severely impacted, but **nobody is postponing future product engineering**.

India is going to add significant value to our global customers. Our employees have been agile, but we have been affected in the short run. We were doing **industry 4.0 work** for a few clients; we had to shut those projects down. So, **the pace at which these projects take off will be slow.**

But, **there are opportunities.** We were building products for automotive companies, which can be used during the pandemic. We are now looking at **face recognition and temperature recognition products**, which are already being provided commercially. We created these in three to four weeks with **high-end cameras and AI services.**

We have already done a pilot at Bengaluru's international airport. The next time you travel and face a camera and a temperature sensor at the airport, it could be Bosch. Two large clients, one in India and one in the US, will also be using these solutions.

RBEI had drawn up a target business plan for a normal situation. But, **coronavirus upended that normal. What is the next best thing to look at?** Our revenues in 2019 were good. We have our own levers to manage this crisis. We are going to honour every offer letter made to university graduates and others.

We are staying agile because we believe recovery will happen in quarter three.

YS: What about the economy? When do you see it bouncing back?

DS: Many countries are returning to normalcy. In **Germany**, everyone is going to work; streets and shops are open. So is **Italy**. We all know **the US story**, but the

country will bounce back soon. **India has done very well**; the numbers are not like many other nations. India is back to work; so is China.

Demand is the key, and is rising. We now have to ensure the production side. However, let me be honest. Nobody can predict when people will come out and buy cars, for example.

Big brands are already going contactless in the automobile industry. There will be **contactless service**. The first thing to look at is **mobility**...will people like to share or own? Money is tight, and people may not want to own vehicles. So, lease finance for cars and two-wheeler buying will happen.

We need to **wait and watch because India is a very different country**, and the market behaves contrarily.

YS: Bosch works with startups regularly. What kind of startups are you looking to work with? Is this the right time for SMEs to go digital?

DS: SMEs have never been able to work with large IT Services companies and I believe **digital transformation in Indian SMEs will be built around the software-as-a-service (SaaS) industry.**

India's B2B ecosystem is primed for major transformation. Startups will be under stress in the short run. At Bosch, we look at how we can create value with startups in technology. We focus on joint innovation.

Startups solve niche problems at a certain degree of customer acquisition. They would need good **partners to scale up with**, and this **inter-dependency with Bosch** will only increase.

Founders must look at niche areas that will make money. These could include solutions in **telemedicine, pharma, agriculture, automation in factories, energy, retail, and safety**. Every such startup that believes in its idea can come to Bosch to achieve scale.

(Edited by Teja Lele Desai)

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