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# Creating a New Paradigm

**HP India Labs will focus on technologies and business models for emerging economies**

It's a paradigm shift. Traditionally, IT research labs of multinational corporations in India have addressed technology issues of the North American and European markets. It was natural—these are not only the most developed markets, but also the biggest ones. Hewlett Packard broke the mold however, with the inauguration of HP Labs India with a mission that is centered on emerging economies.

Outside of Palo Alto, HP has five labs worldwide each with its own mission—at Bristol in the UK, Cambridge, Massachusetts, Grenoble, France, Haifa, Israel and Tokyo, Japan. What is unique about the India Lab, says Per-Kristian Halvorsen, director, solutions and services technology center, is that “the focus is how world class technologies can be brought to bear into local conditions.”

“For instance, more than a million dollars have been put into language issues but precious little has been done about local language here. The India Lab will focus on this,” informs Halvorsen. The second area of focus will be communication and a significant amount of work here will relate to designing, exploring and prototyping low cost access devices. The lab's initial work will be India-centric though the company hopes that the technologies and solutions developed here can then be deployed in other emerging markets.

## Dealing with anti-globalization

The immediate reason is of course obvious—emerging economies are large markets that have not yet been penetrated to any significant extent due to issues of language, cost and connectivity. There is also however, a larger, global context to HP's efforts in this direction. As Debra Dunn, HP's senior VP, strategy and corporate operations explained, “The global context in which this comes, is the widening economic and opportunity gaps worldwide, an anti-globalization movement in recent years, the aftermath of September 11 and Enron.”

According to Dunn, HP is well aware of the ramifications of anti-globalization movements around the world. “At the time the World Economic Forum was going on, there was a World Social Forum organized at Brazil with 50,000 people participating in it. Added to that is the trustworthiness of large corporations that has come into question since the collapse of Enron.

Hewlett Packard plans to deal with it in the only way

a technology company really can—explore if an agenda of economic development through technology is feasible. According to Dunn, the company, with efforts like HP Labs India, “plans to close the gap between the technology-empowered and the technology-excluded communities. We hope to invent, pilot and evolve useful and significant IT solutions and business models that create value in these markets.” According to Halvorsen, the mission of the India Labs will be to understand how to innovate for emerging economies. “So we will have teams of people who are a blend of anthropologists and technologists.”

## Local language, low-costs

The labs are headed by Dr Srinivasan Ramani who is also the executive vice president of the International Council of Computer Communication and serves on the United Nations high-level panel of advisors in Information and Communication Technologies. According to Dr Ramani, the lab will focus five key areas : language technology, including speech communication interfaces for computers; appropriate access devices to provide Internet access at low cost and communication concepts and techniques relevant to the environment of small towns and rural areas in developing countries. The lab is planning a ‘four-for-one’ product with one CPU, four monitors, four keyboards, four mouse, will cost about Rs 8000 per work position and will run Indian languages.

HP's e-inclusion initiative to which HP India Labs will contribute, already has a project kicked off in Kuppam in Andhra Pradesh. If the Kuppam model works, the company hopes to quickly replicate it in different districts in the

country. But will this really work in the long run? Says Dunn, “This is not a philanthropic effort. We're putting in investment up front. But we hope to benefit from that.” It's a remarkably honest statement in an age where businesses have developed a social conscience and capitalists have developed compassion. It's also probably why the project is more likely to work out—business propositions usually succeed where charitable efforts cannot.

**SARITA RANI**  
 in Bangalore  
 saritar@cml.com



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—Debra Dunn, senior VP, strategy and corporate operations, HP