IBM

Q-net overcomes price competition with IBM Linux solution.

Overview

- **Application**
  Broadband Internet connectivity; ERP, CRM and B2C solutions for corporate customers
- **Business Benefits**
  Projected 100% ROI within 3 to 5 years; $0.5 million in revenue the first year; maximum stability at low cost of ownership; savings of $2,000 per customer on operating system costs; ability to survive fierce price competition and capture new corporate business with B2B solutions
- **Software**
  Red Hat Linux®
- **Servers**
  IBM Netfinity®, IBM @server xSeries™
- **Services**
  IBM Global Services

Q-net CTO Ajith Mohan, says Q-net is evolving from ISP to provider of e-business services on the strength of its platform, Linux on @server xSeries servers.

When the Government of India ended its monopoly over the Internet service provider (ISP) industry, it opened the door for start-up companies such as Q-net Information Systems (Q-net) to enter a burgeoning market. Beckoned by predictions like those by the National Association of Software and Service Companies of India (NASSCOM) that Internet usage would grow 23-fold by 2003, the Cochin, Kerala-based company began developing its plans to provide broadband cable modem connectivity to the Internet.

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– Ajith Mohan, Chief Technology Officer, Q-net Information Systems

e business

The opportunities were great, but so were the challenges. India's fiercely competitive ISP market is price-driven, which keeps margins low. How could the fledgling company choose the best technology infrastructure and achieve a reasonable ROI in the face of such competition?

The answer for Q-net was an end-to-end IBM solution, using affordable Red Hat Linux on powerful and economical IBM Netfinity servers. IBM Global Services provided the third-party firewalls and network routers to create a robust technology platform and assisted Q-net with technical support for Linux, along with strategic marketing advice.

The IBM Linux solution has provided Q-net with maximum stability at a minimum cost of ownership. The company was able to leverage these benefits into $0.5 million in revenue in its first year. With IBM's help, Q-net developed a marketing strategy to supplement its ISP services with a portfolio of e-commerce, enterprise resource planning (ERP) and custo-mer relationship management (CRM) services for businesses. Q-net's reliable, stable offering backed by IBM has been instrumental in attracting profitable corporate accounts. The company expects to achieve 100 percent ROI within three to five years. And with Linux on Netfinity servers, Q-net has realized savings of $2,000 per customer on operating system costs alone.

Says Q-net Chief Technology Officer Ajith Mohan, "The stability of the Netfinity servers and the Linux operating system has been outstanding, and IBM has been very responsive in supporting both. With its technical and marketing guidance, IBM has played a major role in our success."

Gaining confidence in Linux
Q-net evaluated various vendors, but IBM was the only vendor willing to provide a complete solution. Says Mohan, "We were a technology company, but at that time we didn't have the level of competence that we needed. IBM gave us the confidence and supplied the skills we were missing."

Looking to IBM software and Linux for the future
Now that Q-net's plans are growing, it is tackling larger applications, such as a distributed application providing management services for government-owned hospitals that will utilize approximately 100 IBM @server xSeries™ servers running Linux. Since these applications will require robust databases and Web application servers, Q-net is evaluating IBM's software offerings for Linux, such as IBM DB2® Universal Database™ for Linux and IBM WebSphere® Application Server.

Says Mohan, "I'm confident that when we are ready, IBM will be there with scalable, powerful software solutions for Linux that will help us achieve our ambitious plans."

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