Tally

POWER OF SIMPLICITY

Plan your success: Tally's Bharat Goenka

Sujit John | TOI

Bharat Goenka, founder of Tally Solutions, was conferred Nasscom's first lifetime achievement award in software products. Nasscom said: "With more than 2 million customers today, Tally is a shining beacon for thousands of product entrepreneurs in India. Goenka is often referred to as the `father of the Indian software product industry', given the fact that he was amongst the first to develop products for the Indian market using just a personal computer more than three decades back. " Tally grew by over 100% last year to Rs 210 crore, and expects similar growth this year. Goenka spoke exclusively to TOI on Wednesday:

How do you feel about the award?
It's very overwhelming, especially when you get recognition from your peers and contemporaries. Still don't know how to react to it. This year has been very special. I turned 50 this August, I'm celebrating my 25th wedding anniversary, Tally is celebrating its 25th year in business, and now this.

What would you advice product startups?
Plan your success. Don't think about successfully making money, think about making a success. Define that success, and then work backwards. The way you chase your first hundred customers will decide
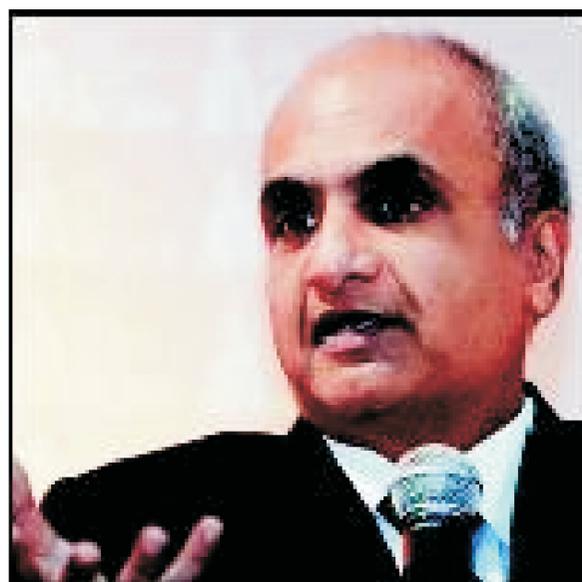
Bharat Goenka receives Nasscom's lifetime achievement award

Whether you get to a million or not. Most people lose their way if their first 100 or 1,000 customers give them adequate cash flow, profitability. Once that happens, there is no possibility of getting to a million. In our third year of operations we had 1,000 customers, and at that time my father said, `The market consists of those who use Tally and those who will use Tally'. So we took very clear decisions those days, set a clear strategic goal to get to a million customers. We refused to make money through services. If required, we provided free services. We knew that if services money started coming in, our people would stop chasing new customers.

What else accounts for your success?
Ethnography, which is about being inside a community to understand how the community works rather than studying it from outside. That enabled us to understand how accountants in India work, what they expect, their thinking process. Our product was tuned to that, so they accepted it immediately. Now that we are a bigger company, we understand better what bigger companies expect, and we test the product on ourselves to see if it brings the efficiencies we expect, and only then take it to market.

Piracy of your product has been a big issue for you. Have you found ways around it?
At one point the ratio of genuine products to pirated products was 1:8. Today, the new piracy is down drastically to 1:3. That's because of the investments we have made in improving the convenience of buying the software and the experience of using Tally. It was never a price problem for people, it was always a convenience problem. Convenience has always driven markets. As an industry we failed to solve the problem. Now we are doing it, by developing a large network of partners who are willing to sell software, who are

willing to understand what it takes to sell software, and willing to invest. We have over 18,000 such partners. I believe in the years ahead, many many software product companies will ride on the infrastructure we are creating to create a software market.

You were not a big fan of cloud computing. Do you still hold that position?
In the consumer market, as and when people discover ways to monetize from cloud services, definitely it will be a tremendous technology. In the enterprise market, unless you are delivering capabilities that cannot be done without the cloud, I continue to remain skeptical about the cloud. In Tally, we are using online and cloud capabilities to enable you to do your business remotely, provide the ability to access data through a simple SMS.