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LOCAL TO GLOBAL: STRATEGIC APPROACH BY AURIONPRO SOLUTIONS LIMITED.

Category: Strategic Management, Technology Management and General Management

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Introduction

Business expansion is vital for the organization to stay competitive and sustain in the market. Every player in the market follow their own strategies of expanding business where few could opt business level strategies few others go for corporate level strategies. In the present era of digitalization,there is no exaggeration to claim that digitalization is taking a center stage in business expansion. Digitization is a Buzz word foundin this modern world where everyone wants to minimize their time in performing day to day activities. Berghaus & Back (2016)opined on various digitalization stages as: Way back in the pre digital era though life was very simple, huge manpower was required to perform any job. However,data safety, accuracy and reliability was sill questionable. Thus the necessity of mid digital era came on to the screen to transform manual work to automation.Organizations identified the need and urgency of digital transformation in this era as they could sense noticeable advantages such as work being done at faster pace with zero errors providing 100% safety to the information (Ciriello et al., 2018). Most of the countries aimed towards digital transformation to encash the advantages and entered into the digital erawhere India is one among them (https://techcrunch.com/2016/06/23/the-three-ages-of-digital/). To name few: Digital Innovation solution used by Tesco outlets in South Korea named Custom Mobile helps customers in virtual grocery shopping in train stations and delivers to the customers' home in no time(https://www.globaldata.com/store/report/tesco-plc-enterprise-tech-analysis/). Another digital initiative by Porsche is Car Connect which provides real time traffic information, news reading, direction finding services and so on(https://mitidinnovation.com/recreation/5-7-digital-innovation-examples/). Augmented reality app adopted by IKEA enable customers in visualizing 3D versions of home furniture by using virtual interior designer(https://hbr.org/2021/06/inside-ikeas-digital-transformation/).Digitalization in any sector not just improves the operational efficiency, but also maintains its consistency, quality and reliability. To be more specific, India focused in many sectors for the digital transformation. To name few,health care with enhanced patient care and reduced infrastructure cost, entertainment that introduces virtual reality and many more, telecommunication enabled customer self-service, manufacturingbrings safety along with operational cost reduction, transportation with contact less ticketing and so on. Thus organization with various SBUs (Strategic Business Unit) survive in the market with their successful strategy implementation along with the digital support (Khin & Ho, 2018).

Thrust Area:

As India being a developing nation and most of the population belong to middle class economic background sectors liketransport, banking and Fintech are emphasized as basic sectors that required digital transformation amongst many. Since public transport is reasonably priced in the country 18% of the total population that is 2.29 million people are commuting daily to different places for their jobs (https://www.motorindiaonline.in/the-role-of-public-transportation-in-india/. Hence it is quite evident that most of the population in India prefers public transportation to commute. Commuters are facing challenges while preferring public transport such as delayed arrivals, physical currency ticketing system and so on. It is high time for all the traditional actors of public transport marching towards digital transformation in order to reduce operational cost and increase the service quality (Digitising public transport | (commercialvehicle.in)). Though Indian banking system is digitally transformed, still there are few gaps to be filled so as to provide personalized services to the fullest (Ismail et al., 2017). Fintech is one such service that made many lives more ease as all financial transactions irrespective of the size most of the people prefer digital. Though it is advantageous on one side, customers are falling in the fraudsters prey. Thus there is a need for digital improvements identified in these sectors.

Market Analysis:

The Government of India launched DIGITAL INDIA programme on July 1, 2015 by Hon’ Prime Minister Sri Narendra Modi with a vision of transforming India into digitally empowered society and knowledge economy (https://digitalindia.gov.in/). One such sector in this initiative is transportation as India is the second largest road network in the world with 5.89 million kms and 40% of the road traffic is through national highways with 0.13 million kms. The Road

Transportation Act 1956 enabled each state government to set up transport corporation with an objective of providing transportation services to the general public (Pucher etal., 2005). The railways in India is the principal mode of transportation for more than 150 years serving not just for longer distancebut also for suburban traffic.To ease the public transport commuters Government of India came up with the digital initiatives such as GPS (Global Positioning System), ITS (Intelligence Transport System), BRT (Bus Rapid Transit) systems and many more. Still the government is on its ways to overcome the challenges thus approaching the lead consultants for the burning problems (Gupta & Dhar, 2022).

Digitalization in Indian banking sector has been spread across in variety of ways starting from EFT (Electronic Fund Transfer) to RTGS (Real Time Gross Settlement) (KM, 2020). In spite of all these developments government identified grey areas in which digitalization was very much needed and in search of the potential clients to fulfill the technical needs. There are many digitalized sources in Fintech industry to face the fraud detection such as blockchain, algorithmic trading, robo advisors, RPA (Robotic Process Automation) and so on (Dabbeeru & Rao, 2021). All these technologies help in personalization, integration authentication and data monitoring (Barroso & Laborda, 2022). Still Fintech sector is facing challenges in personal information protection, online transaction scams and many more. Government is seeking all possible ways to avoid these frauds.

Brief History:

ASL (Aurionpro Solutions Ltd) incepted in the year 1997 by Mr. Bhavesh R Talsania Charterd Accountant and Mr. R M. Amith R Sheth a finance professional being /Mumbai as its head quarters. It went public in 2005 from then it focused on strategic acquisitions and strong offering portfolio till 2010, then continued towards strengthening its product offerings and expansion to IT services till 2015. Now ASL is towards its journey believing Platform Led Technology called as ADAPT (Advanced Accelerated Platform-Led Transformation) (https://www.aurionpro.com/).

Strategic and Operational Services:

Government of India approached ASLfor solutions to certain challenges faced in transportation, banking and Fintech sectors. ASL has grown over 40 percent since 2020 by providing advanced technology solutions to the above mentioned sectors. The company rendered services to various state governments that include HSRTC (Haryana State Road Transport Corporation) served with

OLTS (Open Loop Ticketing System) that has been launched by Hon'ble President of India Sri Draupadi Murmu and OLTS for Nagpur metro has been inaugurated by Hon'ble Prime Minister of India Sri. Narendra Modi. A research on the social factor influence towards the success of an entrepreneur proved that skills, talent, team strength are few traits of a social factor leads to the success of hisorganization (Machani et al., 2022) ASL assets in credit risk management platform and smart lender in the banking sector worth $1 Trillion and 57% of its revenue is generated from India remaining is from APAC countries and USA (https://businessindia.co/magazine/aurionpro-solutions-transforming-businesses)(Business India, May 2023).

ASL added another milestone in its journey by entering into banking and Fintech. ASL got selected by one of the largest public sector bank in India to provide integrated banking solutions for years holding a project of worth INR 18 Crores. ASL raises an order from Government of Rajasthan in expanding the 3D city platform in the city of Jaipur. Additional order valued INR 25 Crore to cover major cities of Jaipur on 3D Platform was bagged by ASL. SC Soft, an ASL subsidiary won $225,000 to upgrade EMV Open Loop Ticketing for 200 pilot buses in Costa Rica(https://www.business-standard.com/article/news-cm/aurionpro-secures-additional-order-for-3d-city-platform-122062400331_1.html).

Corporate banking and Fintech solutions provided by ASL are: iCashpro+ provides end to end corporate internet banking customers with a capacity of 5 million transactions per hour. AuroDigi offers personalized experience to SME (Small and Medium Enterprise) owners, Chief Financial Offers of Multi National Companies, bank relationship managers and business heads. Aurobees focused on SMEs in transforming their business online. Smart lender offers credit risk management solutions that improves credit quality, productivity and lowers operational risks. It is a market leader in South East Asia, Thailand, Singapore, Vietnam and Malaysia. FXConnect allows banks along with their customers in negotiating foreign exchange rates across products. Aurinopro Market systems helps the financial institutions in installation and upgradation of their projects in addressing treasury, risk management, capital markets and regulatory needs. Aurionpro Fintechoffers various solutions to enhance payment infrastructure in Fintech industry and optimize operations along with cost savings. Aurionpro payments solutions Ltd. is a payment solution for B2B (Business to Business) and B2C (Business to Consumer) payments. Auropay is a payment gateway platform to receive digital payment at faster rate is offered in

India. AuropayBiz offered in Asia pacific region helps in connecting various third party processors and global acquirers (Business India, May 2023) (https://businessindia.co/magazine/aurionpro-solutions-transforming-businesses).

ASL added another feather to its cap by diversifying into smart city solutions. ASL also entered into smart city transformation and smart mobility under the SBU (Strategic Business Unit) named Tech Innovation Group. Main objective is to collate with governments of various countries in digital urban infrastructure implementation. 3D City offered by ASL helps the urban planning stakeholders by providing simulation scenarios and high resolution visualization tools. Digital Twin City provides solutions for traffic management, complex infrastructure planning, disaster management, water supply management, solar power management and many more. Smart management technology platform named CPMS (Centralized Project Management System) provides real time data insights in budgeting, planning and cost management. In India ASL offered CPMS services to Chhattisgarh government, Business Intelligence platform to Rajasthan government, 3D City to Jaipur government, City Surveillance services to Delhi and Madhya Pradesh and Rajasthan (Business India, May 2023) (https://businessindia.co/magazine/aurionpro-solutions-transforming-businesses).In this context a research stated that economic factor that include addressing the unmet needs, problem solving capacity, fund flow management and many more leads to the success of an entrepreneurs' success (Machani et al., 2021)

It is quite evident that the core competency of ASL is digitalization through IT (Information Technology) services. ASL enhanced its core competency by diversifying into various sectors through its strategy known as Platform Led Approach. Along with transport, smart city, banking and Fintech sectors, ASL also entered into Transit. Transit Solutions provided by ASL include: Sacremento Light Rail Transit Project implemented in California enabled the users contactless ticketing with EMV (Europay, Mastercard and Visa) Cards. ASL with its subsidiary SC Soft offers e-ticketing solutions for Nigeria Railway Project that facilitates passengers to book tickets through mobile app. In its journey SC Soft also launched 'tap and go' in Maldives to provide EMV-OLTS(Business India, May 2023) (https://businessindia.co/magazine/aurionpro-solutions-transforming-businesses).

Conclusion:

Strategic partnership with major software providers in the market like Oracle, SailPoint, Microsoft, IBM, Dell and many more is the value added strength to ASL in reaching towards the success path.ASL is not just implementing its core competency in diversifying into various sectors, it is also creating value for the firm which is evident in the financial growth of the company. ASL with the available technical competency in IT services and the potential to expand digitally further can always find its scope to plunge into emerging sectors like airlines, tourism, robotics and so on. As these sectors are fast emerging across the globe in recent times supports ASL in expanding the services aggressively inline also helps in contributing towards the country's GDP (Gross Domestic Product).Thus ASL diversified in various sectors: transportation, smart city & mobility, banking Fintech, consulting, hybrid cloud services and so on with its core competency being digitization through IT services and Platform Led Approach (end-to-end ownership) as the competitive advantage. It is evident that ASL succeeded not only in its diversification strategies but also created valuein the market.

Annexure 1:Products offered by ASL in various sectors

CORPORATE BANKING SOLUTIONS & FINTECH	**SMART CITY**	**TRANSIT SOLUTIONS**
icash-pro+	Tech Innovation Group	EMV Cards
Aurodigi	3D city platform	Secure ID to E-Ticketing solutions
Aurobees	Digital twin city	EMV Cards & QR Code solutions
Smart Lender	CPSMS Centralized Project Management System	TAP TO GO
FXConnect	Smart city solutions	
Aurionpro Market Systems	Business Intelligence Platform	
Aurinopro Fintech	Innovative mobility solutions	
Arunipro payment solutions	Digital Transit Solutions	
Auropay		
Auropay-Biz		

Source: Business India https://businessindia.co/magazine/aurionpro-solutions-transforming-businesses

Annexure 2: Financial Performance of ASL for the FY 2022 and 2023

Consolidated Financial Performance for Q4Y23 v/s Q4FY22 (Corresponding Year)

- Revenue of Rs. 191 crore v/s. Rs. 137 crore (Increase in 39%)
- EBITDA of Rs. 40 crore v/s. Rs. 30 crore (Increase in 33%)
- PAT of Rs. 27 crore v/s. Rs. 22 crore (Increase in 23%)

Consolidated Financial Performance for Q3Y23 v/s Q3FY22 (Corresponding Quarter)

- Revenue of Rs. 191 crore v/s. Rs. 168 crore (Increase in 13%)
- EBITDA of Rs. 40 crore v/s. Rs. 37 crore (Increase in 9%)
- PAT of Rs. 27 crore v/s. Rs. 26 crore (Increase in 2%)

Consolidated Financial Performance for FY23 / FY22

- Revenue of Rs. 659 core v/s. Rs. 505 crore (Increase in 31%)
- EBITDA of Rs. 145 crore v/s. Rs. 112 crore (Increase in 30%)
- PAT of Rs. 102 crore v/s. Rs. 76 crore (Increase in 35%)

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TEACHING NOTE

Abstract

The case titled "Local to Glocal: Strategic Approach by ASL" focuses on innovation solutions provided by ASL (Aurionpro Services Limited) in transit, smart city and corporate banking & Fintech sectors. Case emphasizes on how strategically ASL offered digital solutions for the business market sustainability and transformation in the above mentioned sectors resulted in bringing public life ease. The case hints on the strategic framework adopted by various public and private organizations in analyzing the future challenges and how the organizations were proactive in facing them.

Case highlights the need for improvement from the digital perspective in various sectors with its strategies CORPORATE LEVEL STRATEGIES through value created diversification strategies, thus acknowledging the thrust area. In continuation, a deep market analysis on the same along with government initiatives from various nations and their strategic approach towards ASL in gaining the competitive advantage was also lime lighted. Further, the advantage of digital transformation adopted by various organizations across nations supported the growth of ASL in financial and intellectual perspective.

Case then persistent towards the digital products offered by ASL to the above mentioned sectors and how they played crucial role in solving the un identified strategic issues. ASL with the strategic partnership from major software providers achieved its success was summed up. Case finally concluded with the summary of how PLATFORM LED APPROACH being competitive advantage helped ASL in achieving towards success path.

Keywords: Diversification, Corporate level strategies, Core competency, Competitive advantage and Digital Transformation

Teaching Objectives:

This case aims in achieving the below objectives:

1. Understand the strategic perspective of major market players.

2. Learn about the need and importance of digital transformation for the market survival and sustainability with the implementation of various strategies.
3. Awareness on the role played by digital services in solving innumerable challenges faced by the general public.
4. Know about the diversification strategies implemented by ASL.

Potential Audience:

Current case is mainly for the MBA, MS or PGDM students as part of their Strategic Management, General Management and Technology Management curriculum.

PROGRAMME	COURSE
MBA / PGDM / MS	Strategic Management
MBA / PGDM / MS	Technology Management
MBA / PGDM / MS	General Management

Problem Identified:

- Need and importance of digitalization in transit, smart city and corporate banking & Fintech sectors.
- Role of digitalization in expansion, market sustainability and business process efficiency.
- Strategic move to be adopted by the organization in the purview of market expansion.

Prerequisite conceptual understanding:

Current case can be used for the class room discussion on various topics of Strategic Management, General Management and Technology Management. Instructor can brief the case and allow the students for their inputs. Students should come with the case pre reading and additional material support the case discussion. Students can be formed into groups for the below questions to be discussed that can be focused towards various concepts of strategic management / strategic innovation / technology management and so on. Thus the conclusion can be the summarization of lesson learnt from all the groups.

Proposed Session Plan (75 Minutes)

TOPIC	Discussion Time

Introduction	15 Minutes
Question 1	15 Minutes
Question 2	15 Minutes
Question 3	20 Minutes
Conclusion	10 Minutes

Questions for the discussion

1. What is the role of digitalization in understanding the need for business expansion?
2. How core competency of an organization results in diversification?
3. How ASL products reflect on business profitability and sustainability with its strategies?

Analysis:

1. What is the role of digitalization in understanding the need for business expansion?

Digitalization brings drastic change not only in the organization level but also at industry level. It embraces transformation by emphasizing efficiency and enhancing physical products or services with digital capabilities. Digital technology proliferation became an essential catalyst in the industry transformation in recent days with a major impact on organizational strategic approach. Several dimensions like performance, agility, digital affinity, integration, automation, segment extension, efficient governance and many more contribute towards the organizations' success through digital transformation. The rising prominence of digital transformation showcased by the organizations reflected in the alignment among IT (Information Technology) and business, special focus towards IT strategy and business strategy resulting the **Digital Business Strategy**. Digital strategy in most of the organizations aligns to its vision, planning and implementation of the organizational change process leading towards the organization's digital transformation success. Digital transformation effects on various organizational areas such as product development, IT, HR, strategy and many more. Thus a strong Business to Consumer (B2C) relation and customer orientation can influence the digital era with a greater impact on organizations growth. To have a clear understanding on the digital transformation strategy there is a need for the managers to understand the organizations current stage and chose the approach of the transformation.

Digital transformation happens at different layers starting from the need identified by an individual that grabbed by the organization and tries to fulfill the need with the support of its network (Stakeholders) that brings change in the industry and reflects the social and economic perspectives, finally resulting the DIGITAL ERA. Thus the digital transformation will impact the organization in three dimensions: External dimension being customer focused with the digital enhanced product or service; Internal dimension affecting the business operations and strategic approach; and finally holistic dimension that impacts on various business segments leading to the new business models. Thus ASL's core competency being digital services or digitization supported the organization in expanding its business into various sectors. ASL adopted Corporate level strategies: Value created diversification.

PLATFORM LED APPROACH being the competitive advantage, ASL expanded the digital transformation in many sectors like smart city & mobility, banking, finance, insurance, transportation and many more to be highlighted. This transformation contributed not just to the growth of ASL but also to the major chunk of the public by making their life easier. Thus there is a huge role played by the digitization and the above analysis clearly enable the student in understanding the need and importance of digital transformation in the business expansion and diversification.

2. How core competency of an organization results in diversification?

Many firms in this current era opts paradoxical approach where the departure from traditional "if/then" is shifted to the "both/and" approach which is aiming towards the business novelty. This can be achieved with the technology innovation in the organization. Organizations started identifying the paradoxical need so as to have a balance among operational efficiency and business novelty. Thus organizations have proclivity to come up with technically innovative and efficient models. To achieve the same, organizations first needs to understand configure the efficiency-centered, technology innovation enabled business models. Then, understand the role of technical innovation in enhancing the business efficiency, enhancing product quality, penetrating new markets, focusing on customer relationship and customer satisfaction. Finally, the significant role played by innovative technology in market intelligence and post implementation assessment.

The same has been proved with ASL's B2B services (Business to Business). One such fintech service iCashpro+ is a corporate internet banking provider with a capacity of 5 million transactions per hour. Aurodigi is another service aimed towards SME owners, bank relationship managers and CFOs of various MNCs. Aurionpro Payment Solutions Ltd., is a payment solution not just offered for B2B, but also for B2C (Business to Consumer). ASL with its technology innovation captured B2G (Business to Government) through Technology Innovation Group where governments of various nations approached ASL for the infrastructure development, 3D City, Smart City, disaster management, water & solar power management and so on. ASL served to the HSRTC (Haryana State Road Transport Corporation) with its Open Loop Ticketing System to avoid physical ticket buying and it is launched by the Hon'ble president of India Sri Draupadi Murmu. Similar service has been implemented along with 200 pilot buses in Costa Rica. Countries like Maldives and Nigeria also followed this service in the name of the mobile application "Tap and Go". Along with these services ASL offered many technology services to B2B, B2c and B2G which focused towards improvising efficiency in the business process. ASL could achieve all this with its core competency DIGITIZATION, thus adopting value creating diversifying strategies.

3. How ASL products reflect on business profitability and sustainability with its strategies?

ASL came up with many digital solutions that could not only results its business profitability, but also market sustainability. iCashpro+ is the solution for Financial Supply Chain Management (FSCM) which was adopted by one of the leading banks in Thailand. SC Soft pte Limited, Singapore signed a strategic alliance with Master Card to serve the areas of contact less ticketing thus improved the cashless and non-contact payment options for the travelers. The same has been expanded to USA (United States of America) and became the first transit agency in California to come up with contact less ticketing with the project value of $225, 000. ASL assets in credit risk management platform and smart lender in the banking sector worth $1 Trillion and also bagged a project worth INR 18 crores from the largest public sector bank in India. This showcases its financial growth in banking and finance sector. Along with the 3D city platform project from the government of Rajasthan that is valued to INR 180 crores, and addition amount of INR 25 crores order was bagged by ASL to cover major cities of Jaipur. It is a growth indicator of ASL in Smart City sector. The way ASL came up with various solutions in transit, smart city and corporate banking and, finance is the event sustainability in the market. Thus ASL diversified into various sectors by implementing Corporate Level Strategies: Value creating Diversification with its related strategies.

Financial Performance of ASL is clearly evident in the Annexure 2 (Case study) that there is a constant growth. Performance in each quarter has been compared for the financial year 2022 and 2023 in terms of Revenue, EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) and PAT (Profit After Tax). In Q3 (third quarter) and Q4(fourth quarter) there a significant improvement from the FY 2022 to FY 2023. Overall revenue generated by ASL is increased by 31% for the FY 2023. Thus it is evident that ASL is constantly growing its financials and occupied the profit zone. Thus ASL succeeded with its financial growth on one side and the business sustainability across various sectors on the other side.