

BUILDING AN ENGINE FOR GROWTH

RAJ SABHLOK, PRESIDENT OF MANAGEENGINE, TALKS ABOUT HOW BUSINESSES SHOULD APPROACH DIGITAL TRANSFORMATION AND USE IT FOR COMPETITIVE ADVANTAGE.

How do you see the trend of digital transformation impacting businesses? This idea of digital transformation, we see it on both sides of our business. The application side of the business, which is Zoho, and we see it on the ManageEngine side as well. More and more organisations are pouring their budget into IT to gain strategic business advantage, but at the same time, who does that fall upon? The onus is on IT.

When you think about it, when these companies are putting more of their business into technology, they are consolidating risk around that technology. So, if systems go down, it has a larger impact on your business. If there's a breach, there's even more significant impact on your business. This is all coming back to IT and it becomes their responsibility. However, IT has always been an under-invested organisation, and business leaders expect technology folks to figure out a way to scale it. And the reality is, it's hard to do it unless you're building in automation techniques.

The ability to allow IT to do more with less - that's what ManageEngine's all about. Let's cover all this technology that's being deployed, make sure that it's highly available and performing well, and secure. Those are some of the key tenets that are driving our business. I will say that security tends to be on top of my priorities still.

It is not really a surprise because security is permeating into all areas of businesses. A good example is we see a lot more utilisation of mobile. Whether

it is mobile apps or access to company information via mobile devices and as a direct result of that, we see a massive growth in endpoint management business. That's probably our fastest growing area of the business.

Last year, you told us the cloud is a big focus area. Is that still a growth area for you?

What's interesting is there's a couple of dynamics with the cloud. One, from an IT operational perspective, we're seeing continued interest in the cloud, and



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companies request us to manage their cloud infrastructure, whether it is private, public, or hybrid. We're also seeing a rise in IT using cloud-based applications. So, our ServiceDesk Plus on demand is a good example, and it is a fast-growing product offering for us. Another fast-growing product line in the cloud is our operations tools called Site24x7.

Would you cloudify the whole portfolio of ManageEngine?

It's heading that way, and you will see a lot more of our endpoint management suite moving in that direction along with Active Directory management and the rest of the security tools.

There is lot of buzz around AI and ML. Is that something you are looking to leverage with your portfolio?

It's already built into a lot of our applications. We are doing things in the ManageEngine suite that does anomaly detection, which is AI-based. We have also embedded AI into our root cause analysis tool. It's really easy to see the use cases for AI within IT. Chatbots are another form of AI that's being leveraged throughout our product line.

What is the level of automation you are building into your tools?

We've done a lot of automation over the last few years, but with AI, it's really smart automation. So we're able to make decisions based on predictive data, and we take automation to another level with AI.

For me, the last few years have been very productive in terms of automating



a lot of functions within IT. But layering it with AI makes it smart automation.

Is it a good idea to automate security as well?

A lot of it is already automated today. What security is today is based on a lot of machine data, and humans can't keep up with that. Gathering all that machine data and then through AI and ML, we're able to bubble up points that are really of interest. I think, in some sense, it also depends on the comfort level of organisations to figure out how much automation they want to turn over to AI systems. But for now, the focus is on being able to sift through a lot of this machine data very quickly and figure out what's really should be important for the IT organisation.

Does your endpoint management suite cover IoT devices as well?

We don't have a packaged IoT solution, but you know our history with webNMS, which is essentially IoT. In fact, we were

doing IoT before IoT was cool because we had all these agents that could instrument all these devices. In the UAE and other parts of the Middle East, webNMS is fairly popular, and we are seeing it being deployed in smart city initiatives, government initiatives in terms of energy management and facility management.

In terms of R&D, what is your focus for 2020?

We have all these product groups within the organisation, whether it is ServiceDesk plus, Active Directory, or endpoint management. But then, one thing that is pretty unique and a great advantage for us is that several years ago, we set up what's called Zoho Labs. And Zoho Labs is the one that's doing all the forward-thinking in terms of new technologies and building solutions around them. What happens is that various product teams can kind of pick and choose what they want to use within their product offering. Most of the time, product organisations get so focused on

the current point in time of their product and responding to feature requests or bug fixes or things like that. It's very difficult for them to be looking three years or five years out and so Zoho Labs does a lot of that for us, and then the product teams get the advantage of that. So, when you think about AI being incorporated in Site24x7 or chatbots being incorporated into ServiceDesk Plus or user behavior analysis built into AD360, all of those technologies come out of Zoho Labs.

On the software side, we're doing a lot of stuff around AI and ML in Zoho Labs. We are also doing a few things around blockchain. In fact, we have delivered this technology into our Zoho Sign offering, which is an online signature tool that leverages blockchain distributed ledger. Even on the hardware side, we're doing a lot of research and development around how do we optimise our data centers and hardware platforms that it runs on. So we're also doing some research related to chip design and hardware related encryption. ▀