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RURAL BPOS: OPPORTUNITIES ARE CALLING

From agriculture to data services—the shift may not be as rough as you'd think. **Desicrew** has proved that BPOs can boom just as powerfully in the country's interiors as in the metros. And that benefits abound.

By Shonali Advani



THE CAPTAIN AND HER CREW:
Desicrew founder Saloni Malhotra along with
Forum, S. Thirugnanam and Ashwani (l. to r.)

“Let the job travel,” says Saloni Malhotra, founder of Desicrew Solutions Pvt. Ltd., referring to the BPO boom that created infinite jobs in the metros, especially for people from Tier II and Tier III cities. Malhotra believes that if a job could transport itself from the U.S. to India, it could definitely move a notch deeper into far-flung regions of the country, where the only culture right now is agriculture.

After two years of extensive research, the young entrepreneur launched her rural BPO firm, Desicrew, in Chennai in February 2007. This was made possible through seed money from IIT Madras’ Rural Technology Business Incubation (RTBI) cell, supplemented by angel funding from Rajiv Kuchal and some personal funds. Soon, through RTBI, Malhotra managed to put together a research team that now forms Desicrew’s core body of 12.

Of course, research here didn’t mean wading through theory papers, but rather doing extensive legwork to identify potential locations for BPO startups; infrastructure was a real concern. After scouting 10-15 locations, the crew at Desicrew narrowed down on four towns within Tamil Nadu. Though its business model mirrors a regular BPO, physical accessibility to the rural town, its transport system, power supply conditions, space for infrastructure and proximity to educational and computer training centers (for easier recruiting) were propelling factors to set shop in these towns.

“Women comprise 80 percent of our workforce, and it was important to set base in a town with a good transport network,” says Ashwant Gnanavelu, Project Manager, Desicrew Solutions. Moreover, the team only considered towns with a minimum population of 20,000 before earmarking their choices. Once established, they worked on building infrastructure and then recruiting candidates from nearby training institutes, job fairs conducted in surrounding towns and by checking local media advertisements.

Interestingly, Malhotra’s concept of a rural BPO was initially misinterpreted as an

“A RURAL BPO CAN SAVE 25 TO 40 PERCENT OF A COMPANY’S COSTS, COUPLED WITH LOW ATTRITION RATES.”

opportunity for clients to showcase their Corporate Social Responsibility activities. However, soon enough, there was a shift in perception after Desicrew’s business model showed visible results of viability and cost-effectiveness. “A rural BPO can save 25 to 40 percent of a company’s costs, coupled with low attrition rates,” she says. Given the alarming rate of attrition post India’s IT boom, employment options in rural regions (where an employee is more likely to quit for the sake of matrimony, not money) seemed like a sustainable idea.

Today, the firm has five 25-seater centers in Coimbatore, Selam, Erode and Nagapattam. It runs two shifts each, with a total employee base of 105. “We wanted to integrate tech-nology, business and rural India to create a company, not an NGO,” says Malhotra.

Neither did they want the tag of being social entrepreneurs at the risk of losing potential clients weary of the social concepts associated with Desicrew’s model.

It was clear from the very beginning that the startup aimed at introducing the country’s new flagship industry, IT Enabled Services (ITES), to where India really resides: the rural areas. Call it reverse psychology or smart strategy, but

Malhotra and her team focused on selling their pitch as a delivery-oriented, corporate business seeking customer satisfaction. “Though we are here for rural development through technology and employment, we had to move along corporate lines to get business,” says Gnanavelu.

SETTING UP DESICREW:

- Each center was set up in a town with a population of 20,000 or more
- Looked for proximity of the town to educational centers and computer training institutes to recruit people
- Looked for easy physical accessibility and a good transport network in the region
- Looked for established towns with adequate power supply
- Set up infrastructure and then started the recruitment process

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THE RURAL ADVANTAGE	RURAL WEAKNESS
• Cost saving of up to 25 to 40 percent	• Low connectivity
• Lower attrition rates	• Inadequate skill sets, resulting in higher investment in training
• New job opportunities in a rural areas	• Clients may be skeptical
• Employees can save 90 percent of earnings as opposed to 10 percent in an urban area	• Weak infrastructure

Nevertheless, the impact of this “opportunity center”, as its founder succinctly puts it, on the community cannot be ignored, no matter how corporate-like they choose to be. For starters, an employee working in his/her native town can save up to 90 percent of earnings, as compared to 10 percent in big cities. For women, especially, it presents a big opportunity to work in these towns and also doubles up as an incentive to pursue education. “Women increase their social standing in society when they contribute to the revenue stream in a household,” Gnanavelu adds.

So what exactly can India’s rural population deliver from a backend office? Well, the answer is straightforward: anything other than voice-based services. “We knew that voice was a weak link, given its intensive infrastructure and

service segment,” Gnanavelu says gladly. And considering the firm’s top line grew by 120 percent in FY 2008-2009 from the previous year, one can predict the scale of such a business.

Today, Desicrew is running successful back office work for big companies across varied sectors like infrastructure, healthcare, insurance, mobile technology, NGOs, and some well-known web portals—defeating many of its own conjectures. “We assumed that our employees would only be able to perform data entry functions,” Gnanavelu says. Of course, personal training by the Desicrew team went a long way in establishing an employee’s job function and improving basic skill sets over the span of a month.

“Our aim is to retain talent within the community. [The company is] by them and

“WE ASSUMED THAT OUR EMPLOYEES WOULD ONLY BE ABLE TO PERFORM DATA ENTRY FUNCTIONS.”

training requirements,” says Malhotra. The options for non-voice operations ranged from content generation/updates, pre- and post-quality analysis of web products, and SMS/chat-based query responses to secretarial, translation and transcription services. “Of course, from our side, it required a lot of interfacing with clients to identify job functions and processes,” says Gnanavelu. On an average, it took about six to eight months to identify a process, and then some more time for the client to be convinced of the service as a value-add.

The mobile query response service, for instance, was a first-time activity that was identified and generated by the company for one specific client who eventually saw the business sense in it. “Now, we have a turnaround time of five minutes in this

for them,” says Gnanavelu. And if statement is anything to go by, Desicrew’s plan to scale up its employee base to 1,000 this year (over three shifts) doesn’t seem unrealistic.

The company is also planning to absorb a hub-and-spoke model with three to five centers around a core center, and move to more rural towns in the future, depending on business opportunity. “We are looking to become a pan-India company,” says Malhotra. The rural BPO seems to have just about touched the tip of the iceberg viz-à-viz operations, given the immense scope it presents in practice methods and for tapping into the rural talent pool. “The nucleus of Desicrew’s model is employment, wealth penetration, and empowerment,” Gnanavelu sums it up. ☺