

# KICK STARTERS



Imaging: KAMAL

the growth track, attendance, documentation, compensation and employee record maintenance can be a time-consuming exercise. This is where third-party HR service providers come into the picture. These organisations help small firms by taking over the routine work so that the client doesn't have to hire permanent staff on its payroll. Husys in Hyderabad and PlugHR in Mumbai are among such companies that help clients set up a functional HR department by embedding their staff into the client firm. Apart from taking over the routine work, these third-party HR teams grow with the company. Prashant Bhaskar, PlugHR CEO, says, "Since we work closely with these companies, we also end up consulting them in other management areas like incentive planning for sales teams, website content, putting together written business plans, etc." Top management bandwidth in startups is very little, and often teams double up as sounding boards on a lot of important organisational decisions. Bhaskar claims that organisations like his can save client costs by as much as 30%. Business communication is incomplete without printed stationery like visiting cards, letter heads, corporate brochures, etc.

startups is that all of them are very conscious about the impression they're making and want the best designs." At the same time, startups are also touchy about the turnaround time and want things done instantly. Sharma estimates that more than half of his business comes from startups that have been around for less than two years. Since Pronto began operations, Bangalore-based startup Sprint Leaf Retail, which runs a chain of Indian fast food outlets called Masti Kalandar, has been hiring its services. "This works out to be a lot cheaper, faster and convenient for us," says the company's promoter Gaurav Jain. Jain says the current slowdown, a service like Pronto's is all the more relevant for small businesses due to the cost advantage it offers. For instance, the print orders of publicity materials have come down from 10,000 to 1,000 these days, but the cost of printing per copy remains almost unchanged at Pronto, he says. "We have not seen any slowdown as over half of our customers find us even more relevant now," says Sharma.

**If the biggest challenge facing your small company today is finding a way to reduce the burn rate, some service providers are ready to play fire-fighters, say Nikhil Menon & Ashish Agashe**



**N** BUSINESS, they say, a rupee saved is a rupee earned. Owners of small firms struggling to grow in the shade of the so-called slowdown cannot agree more. A budding entrepreneur has to worry not only about his top-line and bottom-line, but also about setting up his business. Acquiring office space, setting up the IT systems, hiring staff and managing F&R, among others take up most of his time and energy. No wonder, a number of small companies are choosing to let better-equipped 'managed service' providers take over instead of sweating the small stuff.

Temporarily without an office address? Not a problem. Firms like Avanta, Regus and Servcorp, among others, build and manage serviced offices, complete with phones and internet connections, meeting rooms, receptionists, office staff and all the accoutrements of a regular office. Startups can rent the space they need to meet clients or conduct day-to-day business without spending time and capital on renting or buying an office. What's more, if they wish to do away with a physical office location, such firms provide mailing addresses and phone numbers for official communication, ensuring that business associates and callers get an 'official feel' when interacting with the company.

Parimal Aluri, senior relationship analyst-sales at NTS Technologies, an Indian-owned and Dubai-based IT firm and is a virtual office user. "When NTS entered India a year ago, real estate costs were prohibitively high. Opting for a virtual office makes sense any day because while we don't need a full-fledged office (Aluri is the only permanent representative in India), we do need a front office to field official calls," he says.

Meenal Sinha, general manager, Servcorp India—a franchise operation that's run by the K Raheja group and Servcorp—says, "A serviced office gives the impression and credibility of a real office. You can also opt to work out of a hotel's business lounge, but it may not be the best impression to give a client." Servcorp India manages officespaces totalling a combined area of 50,000 sq ft at Bandra Kurla Complex (BKC) in Mumbai, and Mindspace in Hyderabad. The rent for its centrally-located BKC office starts from Rs 1 lakh a month for a three-person office while for a virtual office (where the client gets a mailbox and reception

service for callers), clients pay Rs 3,000 upwards.

For the uninitiated, enterprise software can be a bewildering new world. Companies whose representatives and projects are scattered across a range of locations generally use some sort of enterprise package that connects branches, clients, suppliers and employees in one huge complex web. ERP (enterprise resource planning) software and CRM (customer relationship management) software are common forms of enterprise software. They also tend to be expensive and complicated to use and maintain. But a2zapplications is trying to keep it simple by providing a comprehensive SaaS (software as a service) Internet platform for enterprise software. In layman terms, the significance of the Internet platform is that prospective clients need no servers, no software and no IT department at their end. Says Kantanu Kundu, CEO of a2zapplications.com, "A small company may need an enterprise package for basic purposes: making invoices, processing resumes or tracking customers. You may not really need to buy a full ERP package for that, because you'll end up using less than 15% of its functionalities and spend a lot on setting up the ERP, staff training and annual upgrades." What a2zapplications does is develop managed online enterprise software for clients in a week's time on average, and operate and maintain it for free. All the client has to pay for is the initial cost and subsequently, for usage of only the applications used. Kundu informs that while costs vary depending on the client, it could be anywhere between Rs 5,000 and Rs 15,000 a month.

Another aspect that small companies are outsourcing is human resources. For a small firm on

Traditionally, the entrepreneur has had two choices: get the stationery made by an agency/freelancer or hire staff to do it, both of which are expensive. Stepping into this business void is Pronto, a chain of printing solutions stores that's present in Bangalore, Pune, Mumbai and Hyderabad. "Our database of templates for small organisations helps us give customers a better deal. Using these templates, a customer can step out of the store within an hour with 100 professionally designed visiting cards, which cost only Rs 150," says Manish Sharma, co-founder and CEO, Pronto. Sharma, who established the company in 2005, says many startups avail Pronto's services. "My experience with

**THOUGH A MAJORITY OF OUR CLIENTS ARE FROM HIGH DOCUMENT GENERATING CORPORATES, WE ARE WITNESSING A LOT OF ACTIVITY FROM PROPRIETOR DRIVEN BUSINESSES**

DAYLE DESOUZA, JMD, Writer Corp

**A SERVICED OFFICE GIVES THE IMPRESSION AND CREDIBILITY OF A REAL OFFICE. YOU CAN ALSO WORK OUT OF A HOTEL'S BUSINESS LOUNGE, BUT IT MAY NOT BE THE BEST IMPRESSION**

MEENAL SINHA, GM, Servcorp India

Even in this Internet age, paper documents are still used in many companies today. But quite often, they are dumped in a corner of the office without any consideration of their ordnance. Another common situation is when companies move from one location to another but fail to account for the storage space needed for their documents. In both situations, information or document management services providers come to the rescue. They collect critical documents from the company office for storage in a centralised warehouse and deliver it back whenever the customer needs it, only to be picked up on a later date once the work is over.

This model offers security to the client company as well as the IMS (information management services) companies adhere to the best of safety norms at their warehouses which protects the documents from potential hazards like fire, termites etc. "Though a majority of our clients are from high document generating corporates in the telecom, banking and insurance sector, we are witnessing a lot of activity from the new businesses which are typically proprietor-driven," says Dayle Desouza, joint managing director of Writer Corporation, an established IMS services company. Though declining to name clients, he says a newly-launched private taxi service and a law firm have availed of Writer's services in the recent past.

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