

Companies to have virtual footprints

Shivani Mody | TNN

Bangalore: Want to start a business in America, Africa or Australia and yet keep front end costs low? Or even in India being a start-up you want to keep admin costs on the lower side? Here's the answer. A 'virtual' office.

This is a concept that many global companies use to enter new markets. Increasingly Indian companies both at home and abroad are turning to this facility to market themselves more aggressively while keeping expenses on a tight leash.

The idea is simple enough. Instead of an office with your name in the front, you get all the facilities of an 'operational desk.' This includes an official address that your mails can come to and are then directed to you as required. You get a call answering facility — a receptionist that takes your calls, collects messages and diverts them. Companies also get a voicemail service, fax and other such facilities. And when managers actually want to visit the location and hold meetings, they can book boardrooms or conference rooms at nominal rates.

What a virtual office does is to eliminate the big cost involved in starting a fully equipped new office. The concept is also gaining momentum among many Indian start-ups and entrepreneurs looking to enter newer markets in the US, UK, Australia, Africa, Mexico and Russia.

The total cost per month for a rented office location in Australia (North Sydney) can be \$11,520 (Rs 5,29,920) but for a virtual office, the cost could be only \$3,855 (Rs 1,77,330).

Virtual office providers offer customised software that can be used to make requests. Users need to use the software to mention how and where they should be contacted. In many cases, clients can check emails, make boardroom bookings, request translations, utilise a remote data storage system, print to any office worldwide and book a courier. Urgent calls can be directed to a mobile number or a landline based on the client preference. "Receptionists who answer the calls, get a software popup on their screen that gives them the contact information. Clients keep updating the contact details as per their requirement," says a spokesperson of Imperial Servcorp, a joint venture of Servcorp, Australia, and the K Raheja Group, which offers these services.

Madhusudan Thakur, country general manager for office space provider Regus, says the company is seeing Indian companies setting up shop abroad testing the new waters with virtual offices. "There is lot of interest in the UK, USA, and even Tunisia," says Thakur.

In India, a virtual office can cost anything between Rs 1,500 to 9,500 per month, depending on the facilities availed. The cost may also vary depending on the location the office is in. Companies offering virtual office services say they are seeing an annual growth of 35%.

"The business coming from Indian start ups taking virtual offices overseas is also growing by about 30%," says Rakesh R, executive director of New-Bridge office business centres. "It's mostly entrepreneurs, start ups, consultants and researchers who use our services. These offices are scalable and are suited for 10 to 40 employees in one location."

Piyush Sharma, business development director in UAL Ventures, says his company used a virtual office for its correspondence before they got to a mass clientele. "After that we shifted to our own office," he says.

"Virtual offices are also used extensively during mergers and acquisitions, and when two companies start a joint venture. In these cases, they prefer a neutral office for the newly formed entity. We are seeing many JV companies being based out of these virtual offices," says Rakesh.

shivani.mody@timesgroup.com