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BPOs sow seeds of change Like 2

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In a spartan building off a highway that leads to Bangalore 80 km away, a batch of youngsters is clattering away on their keyboards, rendering scanned copies of several thousand handwritten bills into digital data. Every now and then, the supervisor records the names

of the fastest workers on a blackboard.

It's a similar pace that their employer, RuralShores, has set for itself, a reflection perhaps of the fact that the rural BPO as a business model has found its feet, despite the stark contrast to India's urban call centres and outsourcing hubs, both in terms of the scale of operations and workforce.

RuralShores, which employs 1,000 rural youth at 10 centres in seven states, plans to scale up to at least 100 centres, creating 10,000 jobs by 2014. Set up in 2008 by a group of industry veterans, the BPO's investors include housing finance company HDFC, which has a 26% stake, venture capital fund Lok Capital, which recently infused R14 crore, and Vivek Gour, former CFO of Genpact.

"We expect to turn profitable in the next 12 months. So far, we have been making investments. From now on, the cash generated from the system will fund growth as well," says Murali Vullaganti, CEO of RuralShores, which started its first centre at Bagepalli, 80 km north of Bangalore.

The company that began with data entry services is now graduating to voice-based support in local languages in a small way. "Now, we are giving Hindi voice support for Airtel for their customers in the Madhya Pradesh circle. We are also doing some KPO work, believe it or not." The knowledge process outsourcing activity pertains to managing research papers and updating the database of a UK-based publishing house from the BPO's centre at Ratnagiri in Tamil Nadu, which is staffed by engineering graduates.

"I think, as we go forward, we will see a large percentage of telecom companies coming into our fold which, means we will do a lot more voice," says Vullaganti. RuralShores counts over 20 clients including IT services firm Logica and loyalty programme firm Payback, besides larger BPOs such as Genpact, Infosys BPO and WNS.

While moving into voice-based services in English is "a dream at the moment" for rural BPOs, the opportunity for vernacular language support in sectors such as telecom is huge, says Sujatha Raju, managing director of the Chennai-based MMC Infotech Services and a co-founder of RuralShores.

In 2005, Raju started Sai Seva in Puttaparthi, among the first rural BPOs in India which is now expanding to a second centre in Tamil Nadu. "There were several corporates who never gave us a hearing earlier. Now, they are willing," she says. "Now, the acceleration will be

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very fast, much faster than in the past five years.”

Typically, the training period in a rural BPO is longer than in an urban centre, but RuralShores says getting fresh recruits or experienced managers to train them has not been a problem. About half its employees are women.

“This is definitely a great opportunity for the rural person. For a kid in Bangalore or Delhi, I think they tend to get many more opportunities,” says Sudhakar Ram, chairman and managing director of Mastek, an IT solutions firm based in Mumbai, and another member of the team that founded RuralShores. “The BPO industry is plagued by attrition rates of 35-40% in urban BPOs. We run low single digits in any of our rural centres.”

To be sure, costs are also lower compared to urban centres, both from a salary perspective and also because the company can save on the cost of ferrying people to work. Typically, the salary of a fresher in a rural BPO is 35-50% lower than in an urban centre.

The founders of RuralShores say one of their primary objectives was to curb rural migration and the company hopes to employ 1 lakh people in the next 10 years.

Rural-shoring was once seen as an innovative idea that was thought up a few years ago but it is no longer just that, says Ram. “As we stand today, it's a mainstream idea, it's not experimental or innovative. It works.”

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