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Technopreneurship

WRITTEN BY VANDANA SHARMA

FRIDAY, 09 OCTOBER 2009 16:29

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Aspiring Minds, a two-year old company, has not only been successful in coming up with a stack of interesting talent assessment and benchmarking tools, but also in adopting many best practices that have helped it curb expenses and yet scale up its operations. In a conversation with Vandana Sharma of itmagz.com, Himanshu Aggarwal, director, Aspiring Minds (AM), shares details on the strategies that the company has adopted to keep up its scorching pace of growth, while controlling unnecessary expenditure.

It is a known fact that the best of products can fail if not marketed well. That means a lot of expenditure on PR as well as media promotion. What importance does AM give to marketing, and what kind of budgets do you have to manage this? Any suggestions for other start-ups?

At *Aspiring Minds*, we follow a careful strategy of first testing the product on the ground, learning from the experience and then designing the product to be robust in all scenarios. Only when we are sure about the product's potential do we go into marketing it in a sustainable way. We are very averse to over-exposure of our products too early in the cycle.

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Our marketing strategy has always been to first make people understand our product's core value proposition, get endorsements from thought leaders and then create a mass appeal through activities such as sponsoring HR seminars, events, organising placement seminars, etc.

Could you give some marketing advice for other start-ups?

At an early stage, it is important to identify and focus on one's target audience. The aim should be to find a set of key clients and build the business. Marketing to this focus group can be quite economical and one can use innovative methods.

Once the ground work is done, Internet targeted media and targeted forums can offer good opportunities for PR exercises.

What kind of an R&D set up does your company have? How much revenue do you allocate for research?

Aspiring Minds' R&D team consists of two sets of people. The first set works on the assessment technology, in the statistics and analytics division of the company that comprises engineering and statistics experts. The division is led by Varun Aggarwal, co-founder, AM, who holds a masters from MIT, USA.

"While it is important to innovate on the product, one must also ensure that the other business functions too scale to accommodate these innovations."

The second set is working on the product delivery technology. This team comprises engineers who ensure that we can delivery our assessment products across mediums, languages and infrastructure to ensure we can reach the remotest corners of the country.

Over 35 per cent of the total spending in AM is on R&D.

Is the company bootstrapped or have you taken help from VCs, angel investors or from seed funding? Any suggestions for entrepreneurs to keep a tab on expenses?

Initially the organisation was self funded, i.e., the founding team brought in the capital. However, AM has raised angel investments in the third quarter of 2008 to scale up.

Start-up teams should always have the numbers worked out carefully and enumerate what they can burn in a particular month. This reverse calculation helps a lot in managing expenses. Do remember that spending too little can also be fatal to the organisation's growth.

What kind of IT infrastructure do you use?

Our product servers are leased from large server farms in the US. This gives us reliability and fast scalability to deploy new servers without any capex (capital expenditure). All servers, workstations and desktops are Linux based.

Besides, we require a lot of soft infrastructure like servers connected to the Internet backbone, Internet connectivity, wireless and wired telecommunication, etc. We are pre-dominantly using Airtel Broadband services for the office's Internet connectivity while for telecommunication we use both Tata Indicom and Airtel. Regular workstations are procured or assembled as per needs.

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Since start-ups usually like to leverage a lot of open source applications, do you look for people with experience in the open source domain? What kind of skill-sets would be desirable?

Yes, our service delivery platform is based on open source technologies. Thus, we hire engineers/MCAs who can help develop products in open source technologies. We hire a mix of experienced and entry level engineers.

Which media do you use to tap and identify the right talent to fulfil your recruitment needs?

We use job portals, job postings and consultants (like, Naukri.com to refer to the recruiters' database, monster.com for job postings, etc). These resources have worked well for us.

For candidates who appear for interview, we follow a thorough process of objective assessment in aptitude, communication and personality evaluation, followed by structured interviews. We have an internal point-based system to make sure we cover all aspects of the candidate's competencies for the job.

Which, according to you, is the best city to set up a new IT venture?

Wherever you can find the relevant talent at the right cost, is the best city. But on another note, while Bangalore has an abundance of talent, the costs are also higher. I would recommend Delhi NCR, Bangalore, Hyderabad or Chennai as the cities to look out for talent.


Could you share a few other strategies that AM has adopted to keep up its pace of growth? And a few ways of keeping unnecessary expenditure at bay?

The key to ensuring growth is to adapt to the market dynamics and continuously innovate. For AM, the market changed dramatically during our first year of operations. While such changes are unsettling, we adapted by innovating. We went back to the drawing board to build products that we had planned for the future.

Also, we slashed our spending during the period of uncertainty to ensure that we tided over the downturn. We have realised that while it is important to innovate on the product, it is equally important to ensure that the other business functions, like operations, sales, etc, also scale to accommodate these innovations. Also, it is prudent to ensure that the new offerings align to the company's marketing and sales strategies.

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