Superseva: building a successful service meta-mediary

Circa 1999-2000 was a very happening year in India. Bangalore the IT capital was brimming with Y2K orders and newer upscale IT players came up next to shanties or in the midst of agricultural lands. India's GDP growth rate touched 9.8% in 1997 and was hovering over 4% in FY2000. India as a FDI destination was catching up. Many MNCs were establishing their IT development centers in India and domestic industry was also on a growth path, largely fuelled by the surging exports. Two IT entrepreneurs, Ajay Shankar Sharma and Deepak Kumar, were quite enthused with the growth of the economy and their own small IT firm in Bangalore. Exhibit 1 and 2 present the economic growth and FDI inflows into India. Coming from middle class families of Bihar, the two IIT and NIT graduates had imbibed Hindu sense of savings. They wanted to invest a pie from their growing IT company revenues into non-IT complementary business that can grow with minimum management support. They thought of conceiving such a service for mainly these reasons. They saw a huge potential in India as it was emerging as an IT outsourcing market. They realized with large MNC setting shop in India, the need for outsourcing support functions in the non-core areas will increase.

Passing through Koramangala, a residential locality in Bangalore where they stayed, Ajay and Deepak watched with admiration the growth of a business services company Le concierge. Started in 1998, the company had carved a niche for itself in last two years and was estimated to be serving more than 500 desks in companies including IBM, Accenture, Siemens, Ericsson, Intel, etc. It was operating in 8 cities and offered boutique of services including vacations, rewards and recognition systems, etc. During their visit to Delhi, they chanced looking up at another concierge company; The Global Helpdesk (TGH) founded in 1998 had built an impressive client list of about 60 companies. Ajay Shankar Sharma and Deepak Kumar, thought investing a share of their revenues into a concierge firm could be a good de-risk strategy. They also felt the concierge services company would need only limited or minimum management involvement. With this broad guidelines in mind the owners of Srishti Software created a sister concern "SuperSeva "in the year 2000. Seva in Sanskrit or Hindi means service and the objective of creating Superseva was to serve superbly.

In the initial three years, Superseva concentrated on companies where they had prior contacts. Contracts poured in mostly for help desks from mid-level IT companies and till 2006 Superseva managed to stay afloat earning its cost. Because of the founders preoccupation with Srishti software, the sister company, there was lack of day to day monitoring of the activities. Management control was rudimentary and no consistent evaluation was undertaken. Business management and operational review were at best transactional; the business grew in single digits with a somewhat me-too offering. In the early phase of 2006, the founders realized the potential to grow Superseva was limited by lack of a committed CEO. In Dec 2006, they brought in Ms Kumud Sharma, an Indian Institute of Management Bangalore (IIMB) alumnus to, as the CEO of SuperSeva.

Ms. Sharma, before earning her degree from IIMB had donned multiple roles in IT industry. She has been product developer, IT manager, Project lead, HR manager and practice support manager. She had extensively worked on new product developments and had demonstrated excellent managerial capabilities to build and develop a team. Upon donning the mantle, Kumud Sharma realized Superseva growth was limited by lack of vision and a sense of direction. Despite the global recession, Indian economy was expected to grow around 6+% and market sentiments though lower than previous years were significantly higher compared to global markets. Exhibit 3 and 4 present the economic growth till 2008 and expected growth in coming years. The addressable market for concierge services was expected to grow due to domestic GDP growth. India's GDP growth rate in FY2009 was 6.5% and the forecasts for 2010 and 2011 were hovering around 8%. Industrial and services sector were expected to grow over 10% and 12% in FY2011 and 2012. Despite the global economic woes, the business confidence in India was high (D&B composite index for 2009 was at 105).

With over 22% growth in job opportunities in India, the employment boom was creating a talent shortage. Many companies were finding the total cost of hiring an internal resource outweighing its advantages. Providing enterprise workforce and their employee management solutions to help companies save time and increase profits were becoming relevant. With raising number of working women who are constantly juggling between home and work activities, convenience and reliability in running services were becoming important. While incumbent competition such as Le Concierge, TGH had consolidated their position, newbie's like Ala Concierge, Concierge4India, TTK group's YouManinIndia were discovering newer customer bases and the market for services was growing. Concierge Market was highly fragmented with top three multi-city players accounting for 73% of the market share and rest consisting of localized players who mostly operated in one city. Exhibit 5 shows the market share of players in Indian concierge market. Many players were offerings services for both

corporate and individual client. There were no standard benchmarks available so pricing varied a lot from vendor to vendor. Many customers were also feeling they were not getting the best value for money as their time and efforts of monitoring and managing these services even after outsourcing had not substantially reduced.

Kumud Sharma was convinced that time must be invested in building trust and confident level with vendors. Fulfilling requests anything from paying bills or picking father-in-law from airport or obtaining government records so that employees are unburdened from these tasks during their work time was the core of transformation Kumud wanted. The idea was to help employees save time and improve their work productivity. Economics of concierge services, shown in Exhibit 6, indicated a need to add more complementary services to increase profitability and de-risk the company. Kumud's priority was not only to create a reliable service delivery arm, but also create a vibrant sales and delivery organization that can sustain a profitable business. On the delivery side, she wanted to build a robust and responsive organization that responds quickly to the service requests and can build deeper relationships with clients. She was of the opinion that as a growing organization SuperSeva must emphasize on delivery focus and customer retention.

Kumud Sharma wanted to adopt a simple 4-step change management process shown in Fig 1, which she has honed from her education at IIMB and real life experience at Srishti software. She understood a clear goal or vision of what needs to be achieved in both short-term and long-term would motivate an employee to maximize his efforts to the success of the company. Kunud wanted to keep the vision simple, one of becoming preferred enterprise service partner. She termed this as "**Wave 1**", achieve a reasonable number of concierge and front desk operations in top 300 named accounts was adopted as the mission. The vision was crucial to state what it wants to be and what distinguishes it in the sector. The focus was clearly on building not just another concierge player, but an all encompassed service provider. Kumud preferred a meta-mediary model where the service provider offers multiple services to the same organization or customer based as the needs evolve over time. Autobytel has been an inspiration for her and she wanted to emulate the same business model. She wanted to adopt a asset light, high scalability model, wherein various services could be offered in partnership with service providers.

The objective was to acquire and hold customers by offerings various non-core support services, with Superseva completely managing the customer experience. She wanted to offer a reliable, multi-service single contact point service platform that would vouch for reliability, responsiveness and professionalism. Once the vision was set, complete alignment of process, people and measurements were required. Towards this she planned for a complete overhaul of manual process, if need be automate some process and eliminate process variations. On the

people side, based on her previous IT project management experience she recognized the need for well defined roles, setting the right expectations and appropriate training and motivations of staff crucial to meet the goals. Over time, she realized a repetitive non-innovative approach would inhibit new ideas and growth and hence wanted to create a culture that was open to innovation and change. She recognized while leadership should be goal directed in the immediate short-term to gain market share, it also needs to be flexible and open over time to take on newer customer requirements and operate in newer geographies. She wanted to create a culture of trust and ownership, where the deep sense of responsibility is highly appreciated and rewarded. She wanted a process that would ensure the goals are periodically stretched enough to keep the creative tension and managerial achievement in full steam.

Armed with the above framework, in the first few weeks complete process audits were done. Kumud personally walked through the process, experienced moments of truth at various customer interface points to understand service failures and improvement opportunities. Team brainstormed to see what improvements could be made in the process to reduce variability. People were trained and retrained, goals and tasks defined explicitly. Operations were streamlined to eliminate redundancy and wastage. Customer feedback was actively sought and improvements were carried out without haste. However, after 6 months, Kumud realized the manual process has its limitations of scalability and process variations due to fatigue, manual errors and mood swings. Kumud evaluated the IT platform of Srishti and found it could be extended to develop a reliable IT led service delivery. The customer processes were seamlessly integrated on the IT platform across multiple channels web, desk, email, or phone. IT platform helped the customer to place & track their requests online, and can also avail of an electronic reminder system. With complete automation, service quality reliability increased significantly as exceptions were easily managed and variation reduced. For each and every task a standard operating procedure (SOP) was defined, response time and hierarchy explicitly set and resolution documented and analyzed.

Economic recession in 2008 and associated cost cutting benefitted the concierge industry. Companies were trying to consolidate cost and yet meet excellent customer engagement policies, discovered the advantages of concierge outsourcing. One industry analyst mentioned the total number of concierge desks increased from 760 in 2000 to 1700 in 2005 and were hovering around 2600 desks in 2009. In 2009, Le concierge enjoyed close to 1350 desks, and the rests were in the vicinity of 200 to 100. She wanted to She wanted to initiate "**Wave 2**" program with an objective to increase the reach, conversion and service offerings of Superseva. Wave 2 required identifying newer scalable services which could be offered in conjunction with partners and lock-in customers with multiple superior services. She was convinced about the need to bring more dynamics into the sales force and stretch the service offerings looking at

the life-cycle of customers. She won the board approval for investments into sales and presented a plan to increase government and related services expansions to both corporate and their employees.

In July 2009 Srikanth D.S, who had excellent industry knowledge and salient concierge management experience, joined as VP sales. He was given clear charter of establishing and driving the sale motion. Appropriate customer segments were identified, right GTM motion were rolled out. To strengthen, sales in promising markets of Mumbai, Chennai and Delhi, experienced sales professionals were brought on Board. Kumud Sharma who valued customer engagement process very dearly felt the need to host account mining and customer engagement process with an experienced and empathetic leader. Debjani Lalwani, an able and high ownership individual with salient industry experience of hospitality and concierge was brought in as Asst Vice President Sales with an emphasis on large account management. Kumud Sharma emphasized for a sense of urgency and sense of ownership in all her meetings with the employees. While day to day sales process evaluation was done, she insisted on formal weekly sales reviews with all the team. Sales funnels were discussed, suspect lists were cleaned, and account wise strategies were discussed in these meetings. Each employee was actively encouraged to own the outcome and come out with impact making solution. Sales and delivery teams were gives clear instruction on the Turn-Around-Time (TAT) for any customer request. Response time lags were not entertained. She established a 10 min response time to acknowledge all customer requests failing which Kumud herself would pick the call.

By February 2010, Kumud Sharma and her team were successful in expanding service offerings to both corporate and employees, as shown in Figure 2. Regional sales leaders like Chandramouli at Chennai, Harshad at Mumbai and Tania Sikdar Ghosh at Corporate office contributed to reaching newer milestones both in terms of customer acquisitions and new service offerings. Superseva despite its revenue growth retained its lean structure and extended its partner base to over 300 to meet various customer needs. The company had grown tripling its revenue within a span of 2 years and employee base growing over 200%. Its market share had grown to 36% in 2011. Its pan-India accounts have grown over 300% and its IT lead platform has given it competitive advantage to gain new clients like CTS, etc. A culture of trust and community feeling has developed that binds all the employees into a unity. There is always a support given to experimentation and a tolerance to failure. Not only the employees trust their leaders, but the leaders also have faith on their subordinates. The culture of the organization has evolved to be a community of its own where all the employees are bound by a sense of belongingness and the 'we' feeling. One of the new employees, Satyendra says-

'SuperSeva is more like a second home to me. I did not feel it was my first day in office when I first joined in. Everybody is friendly and it is a family environment here.'

In March 2012, Kumud Sharma was ruminating over the growth so far with a satisfied smile and wanted to see what should be the next 2-3 year stretch she should plan. Being a women led enterprise diversity programs of MNC customers were opening doors for international operations. Key clients like IBM, Microsoft were looking at engaging with Superseva beyond Indian shores. Virtualization of some service opened newer opportunities to engage with multi-location customers and SME's who may be interested in low cost support services. For the board meeting scheduled in first week of April she wanted to present her "**3rd Wave**" of growth. Kumud Sharma was wondering what should be the next steps of growth strategy, what markets and services to explore, what customer segments to acquire and engage, what alliances to purse?. .
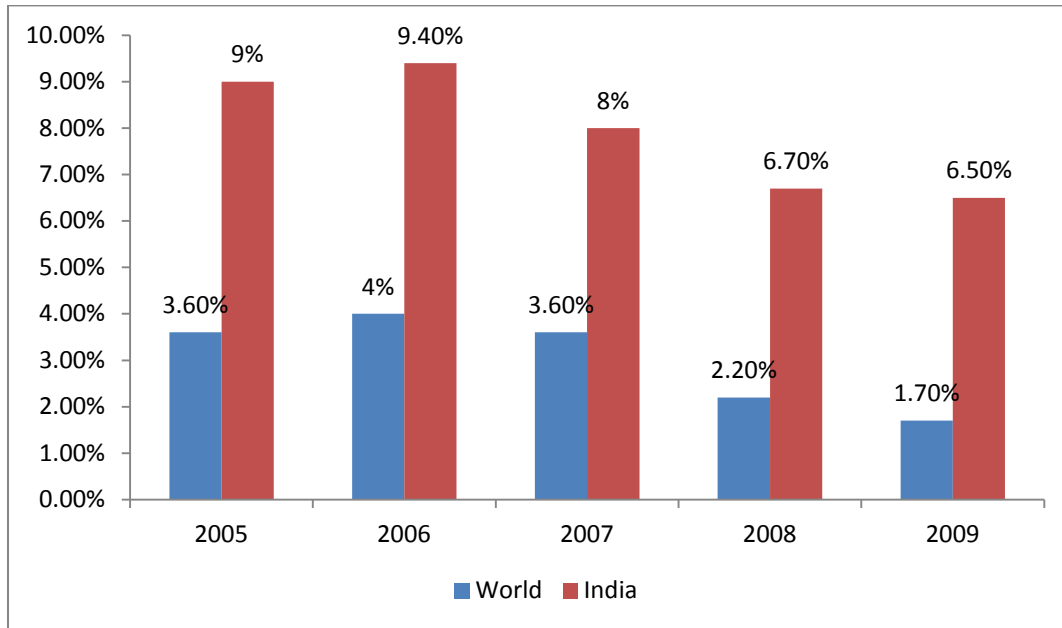
Exhibit 1: GDP % growth India and World
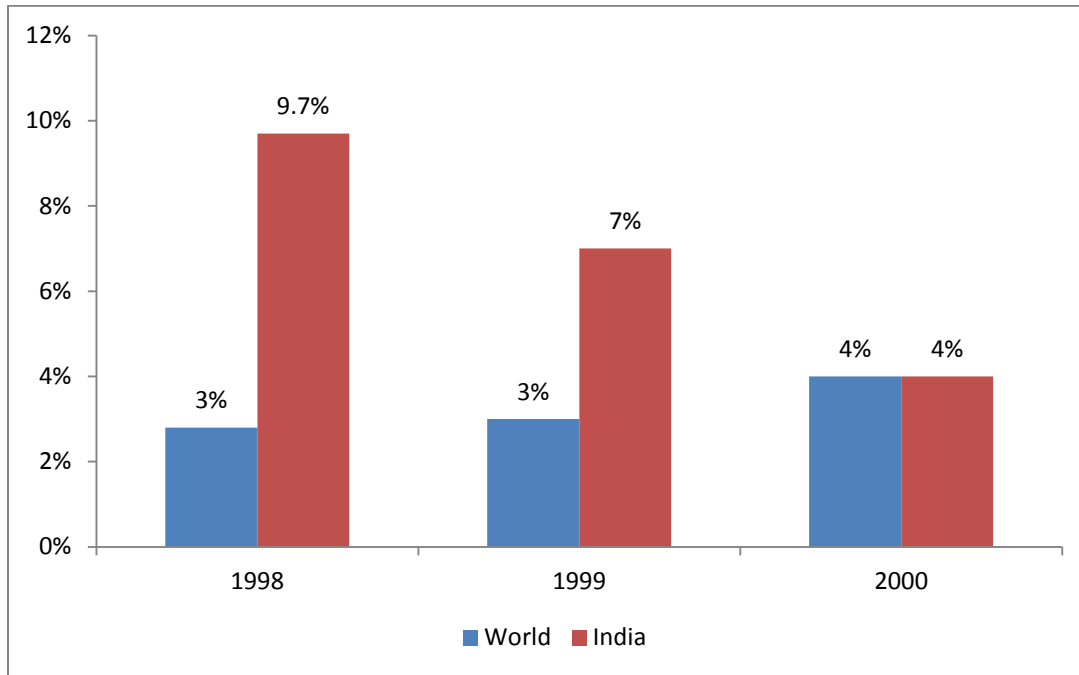
Source: RBI
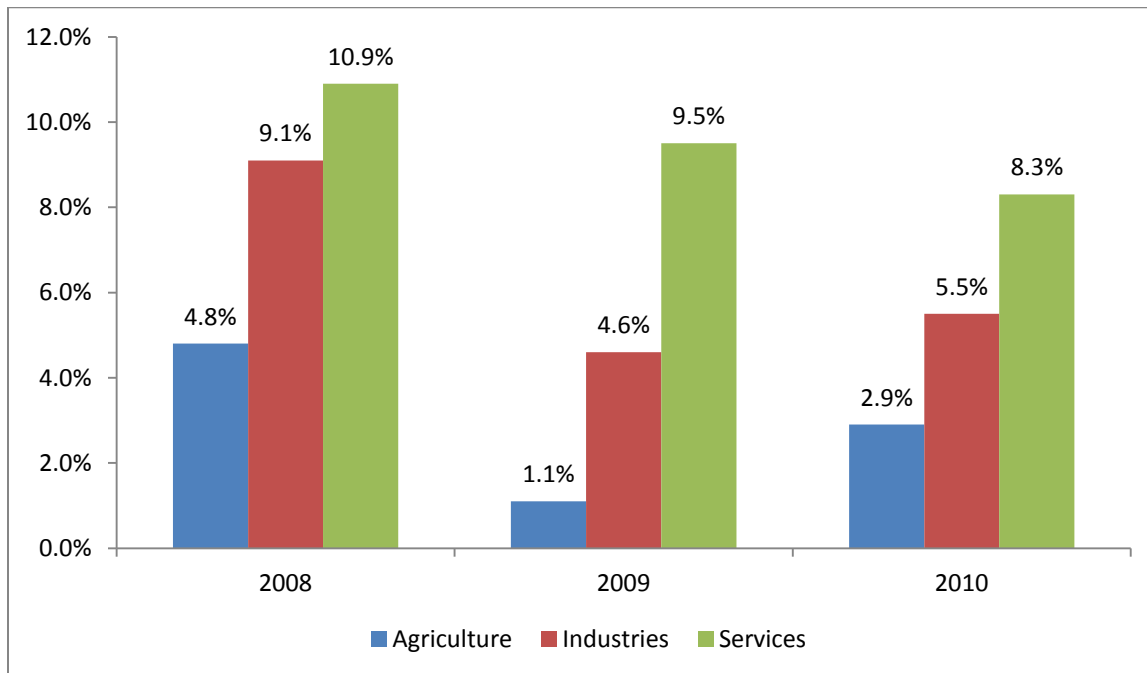
Exhibit 2: FDI flows into India
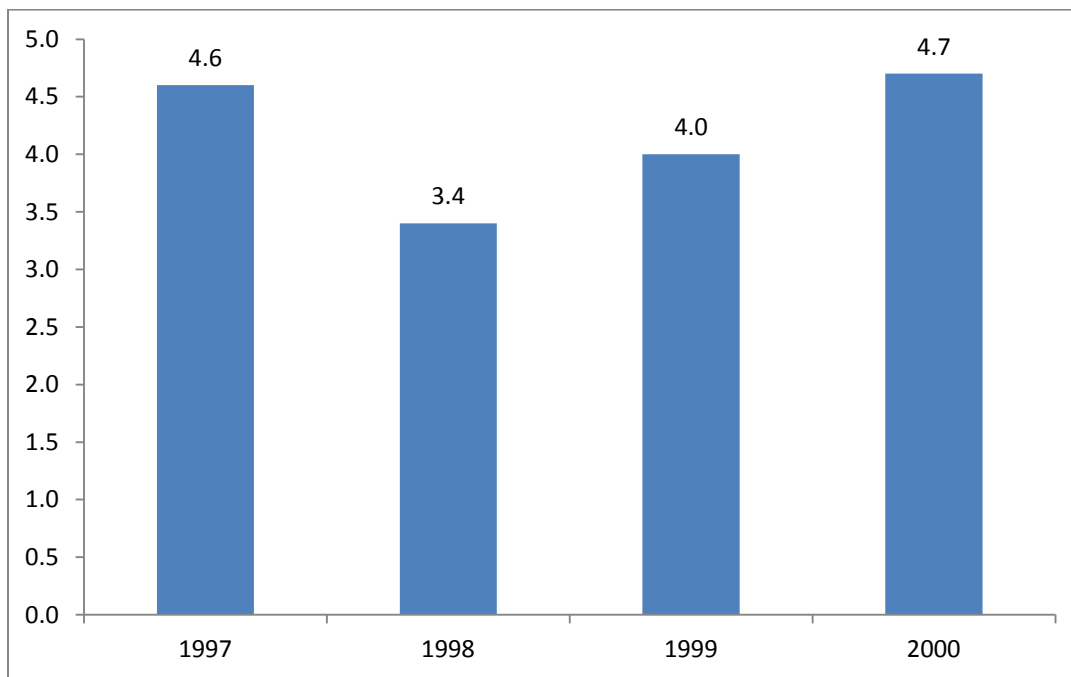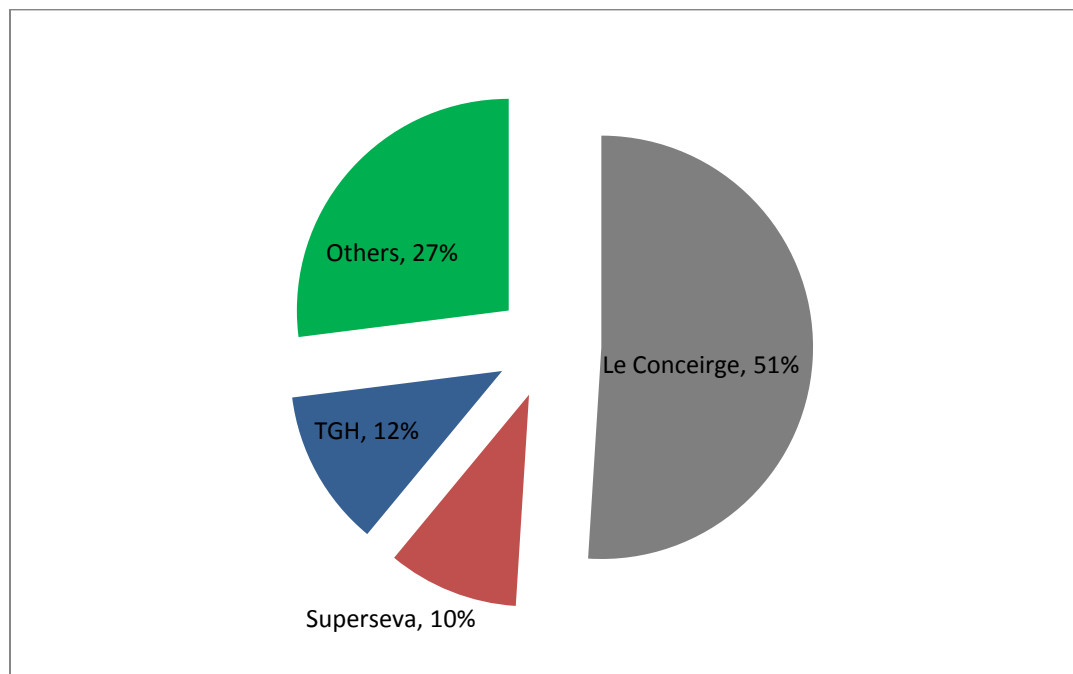

Source: RBI

Exhibit 3:   GDP % growth India and world

Source: RBI, CMIE

Exhibit 4: Sector-wise growth India 2008-2010

Source: RBI, CMIE

Exhibit 5: Market share of Concierge players in 2006

Exhibit 6: Economics of Concierge Business

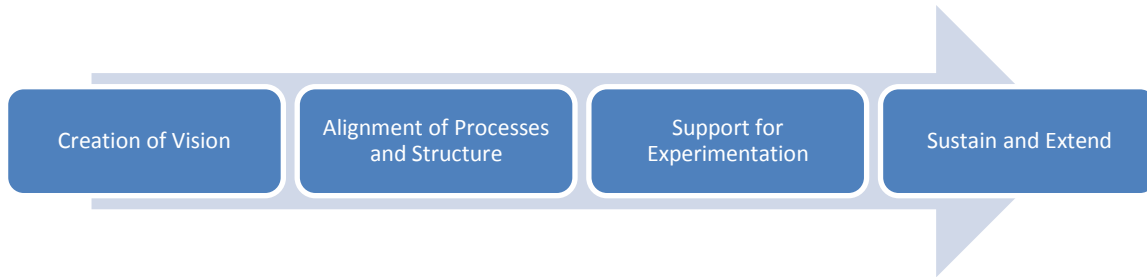|	Only concierge offering	Concierge + Other services
Revenue		
Concierge Only	100%	70%
Other complementary services	-----	30%
Cost of Revenue		
Resource cost	61%	52%
Service cost	7%	6%
Training & facilitation	4%	3%
Gross Profit	28%	38%
Sales & Marketing Expenses	5%	6%
Gen & Admin Expenses	4%	5%
Net Income	19%	27%

Figure 1 Kumud's Change Management framework

Figure 2 Bundle of services for Corporate and Employees of Corporate customers in Jan 2010