

iDya



National Social Venture Competition

**Techpeople Management Services Pvt. Ltd.****Team Details:**

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**Venture Details:**

Venture Name				
Stage of implementation (Kindly encircle the appropriate option)	Idea	Ready to go operational	Operational for < 1 year	Operational for < 3 years
	Start-Up idea	Start-Up Venture		
Category Type				

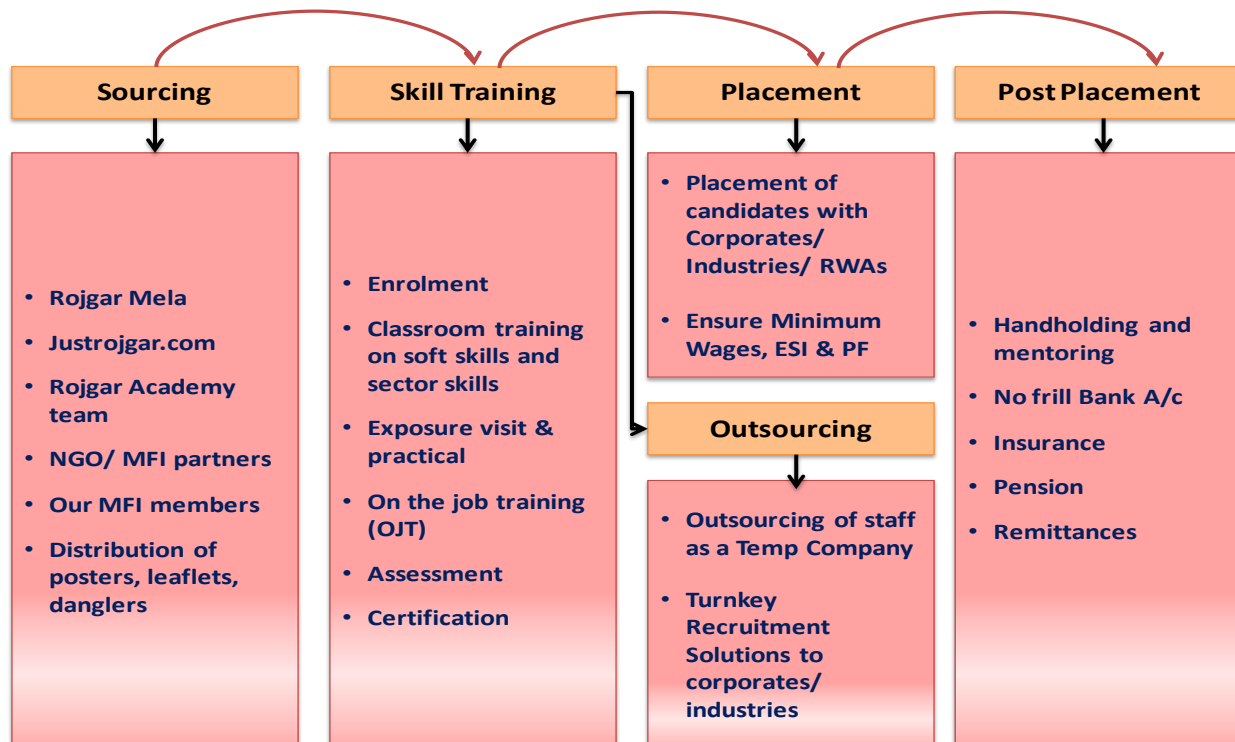
## 1. Social impact summary

### 1.1 What is the critical need of the industry sector identified by you?

Ironically, despite a large talent pool, India is facing a tremendous talent shortage. The proportion of companies unable to find skilled staff jumped to 67 per cent in 2011 from 16 per cent in 2010<sup>1</sup>. With 29.8 percent of Indians living below poverty line and the unemployment rate at 9.8percent<sup>2</sup>, India has to soon find a solution to this problem. Annually, 12.8 million youth are entering into the labour market along with the backlog of 49 million unemployed. As the proportion of working age group of 15-59 years will be increasing steadily, there is a chance that the potential “demographic dividend” turns into a burden. Harnessing the demographic dividend through appropriate skill development efforts would provide an opportunity to achieve social inclusion and productivity within India and also add to the global skill pool.

The current capacity of the skill development programs is 3.1 million. India has set a target of skilling 500 million people by 2022<sup>3</sup>. Large-scale skill development is thus a huge business opportunity. However, the major challenge of skill development initiatives is also to address the needs of huge population by providing skills in order to make them employable and help them secure decent employment, minimum wages and other benefits.

### 1.2 How will your venture provide a solution to the need you have identified?



<sup>1</sup> Talent Shortage Survey 2011 – Manpower Group

<sup>2</sup> CIA World Fact Book, 2011

<sup>3</sup> Skills Development Sector Profile - FICCI

### 1.3 Who will benefit from your solution?

- Unemployed people looking to learn skills and get placed
- Employed people looking to upgrade their skills and move higher in the value chain
- Employers/ recruiters looking for skilled staff
- Corporate/ industries looking for staff in their facilities management and other departments
- Resident Welfare Associations/ domestic users looking for domestic workers and other staff
- Service providers dealing with informal sector jobs/ work

### 1.4 What are the top three measurable social benefits? Please quantify the measurable social benefits in numbers? Monetary translations of these social benefits are welcome.

- Techpeople is committed to track baseline metrics for each person after the training and will continue to track the metrics every 6 months to identify how the increase in income has cascading social benefits. The metrics will include housing quality index, nutrition, child education and productive assets among others
  - i. Skilling and placing at least five lakh people by 2020
  - ii. On an average, a 50% increase in family incomes YoY and access to provident fund and social protection schemes. Access to loans, no-frill bank A/c remittance, pension and insurance schemes
  - iii. Ensure access to government schemes like public distribution system, health insurance, etc. Monthly check-ins with deployed staff to identify exploitation, if any

## 2. Business value proposition

### 2.1 How unique/better is your product or solution? Can it be resold easily in future to like-minded social entrepreneurs?

Currently, there are limited companies catering to the informal sector jobs. Companies are either offering online placement services or outsourcing manpower particularly domestic workers in a few cities. However, they are not offering these services in an integrated manner. Thus, there is an opportunity for an integrated platform that can provide turnkey employment services in the informal sector jobs. What makes us unique is our integrated approach that combines our on the ground presence and our digital platform. This gives us the competitive advantage to source, skill, and, place and outsource manpower. We also provide benefits such as Provident Fund (PF), Employee State Insurance Scheme (ESI), pension, insurance, loans and remittances to people. Thus, our business model is innovative and scalable.

### 2.2 Who are your target customers? How do you plan to reach them?

#### 2.2.1 Target customers

- Employers/ recruiters looking for turnkey recruitment solutions in the informal sector jobs including sourcing, skilling, recruitment, on the job training, credential check and police verification, and retention
- Corporate/ industries looking for turnkey service providers to outsource their blue collar jobs
- RWAs/ domestic users primarily looking for domestic workers, housekeeping, facility management services and security guards as turnkey solutions
- Service providers such as contractors and builders dealing in informal sector jobs and need staff such as Plumbers, Electricians, Carpenters, Mason, etc.
- Petty contractors such as Plumbers, Electricians, Carpenters, Mason, etc. offering services to RWAs and households can get the leads of clients from justrojgar to provide such services

### 2.2.2 Outreach

- Online presence through [www.justrojgar.com](http://www.justrojgar.com)
- Awareness campaigns through print and electronic media including social media like facebook, twitter, google+
- Road shows and Rojgar mela where we set up stalls in local slums and talk about our work
- Advertisement through distribution of posters, pamphlets, canopy, T-shirts, caps, danglers, and banners in areas with prospective trainees and employers
- Along with other partners, we have initiated policy advocacy with National Skill Development Council (NSDC) to set-up a Sector Skill Council for the Domestic Workers. We are working with NSDC to set benchmarks and curricula for training domestic workers and a certification process. Thus, we would become a credible voice in this space. Our collaboration with NSDC will boost our public relations and also lend us credibility.
- To be seen as a credible player in the market through articles and interviews in newspapers, magazines, periodicals and electronic media about justrojgar.com's contribution in skilling and placing domestic workers
- Information sharing through our Rojgar Academies and on the ground partnerships/ network with various stakeholders as mentioned above

### 2.3 Is it easy to replicate/scale the business model across other (contrasting or similar) geographies? If, "yes", how? If, "not", then why?

- Since we have customized and documented the training curriculum and operational processes, it is easy to replicate the model in other geographies. Our online model further helps us to scale.

### 2.4 What are the various potential challenges you expect to face?

- Low barriers to entry by other players
- Interference by local politicians
- Changes in foreign investment policies
- Hiring and retaining staff as we scale across the country

## 3. Financial sustainability

### 3.1 What is the proposed target/current market size for your venture? Taking a time span of 5 years, how would you estimate the market growth for your venture?

#### Target/current market size

- In 2004-05, there were 3.05 million women domestic workers in urban India marking an increase by 222 percent from 1999-2000. The demand for domestic worker has grown almost 15% YoY since 2004-05 and will grow beyond 20% YoY till 2020 due to rapid expansion of metros and tier- II cities.<sup>4</sup>
- There were 90 million domestic workers in India in 2010.<sup>5</sup>
- Currently less than 10% of the jobs with regard to domestic worker, housekeeping and facility management services have been tapped by the current players.<sup>6</sup>

<sup>4</sup> Chandrashekhar and Ghosh 2007 and Ministry of Labour and Employment, GoI in October 2010

<sup>5</sup> Harish Rawat, Minister of State for Labour and Employment, GoI, 2010 made statement in the Parliament

### 3.2 How do you plan to generate revenues from your customers?

We have a diversified revenue base that includes:

- Annual membership fee from employers/ corporates/ industries/ RWAs/ service providers for sharing database and providing manpower w.r.t. informal sector jobs
- Onetime fee for sharing database with employers/ recruiters
- Monthly service charge to corporates/ industries/ RWAs for manpower outsourcing w.r.t. housekeeping, facility management services and to households for domestic workers
- Placement fee from employers/ recruiters for providing candidates (Skilled and unskilled)
- Advertisement and classifieds at justrojgar.com
- Revenue generated through fees from candidates for skills training
- Fee for turnkey recruitment solutions to employers that includes:
  - Advertisement of vacancy position
  - Short listing of potential candidates from our database as per job specification
  - Final interview of candidates and sharing the final list with employers for recruitment
  - Verifications of candidates, if required by the employer including:
    - ✓ Police verification
    - ✓ Reference check from past employer
    - ✓ Identity and residential proof verification
    - ✓ Education certificate

### 3.3 How do you see the profits sustaining your business in the future?

- The proposed venture will generate profits of Rs.32.73 Lacs in FY 12-13 and the break even will be achieved in the same fiscal. Net Profits (after considering interest & taxes) at the end of each year will be reinvested in the company for expansion by way of setting up more training & placement centers through hub and spoke model (Rojgar Academies). Further, after three years of operations, the expansion of this venture will be funded through the internal profits of the company.

### 3.4 Do you see any potential risks to your revenue stream and the financial health of your venture?

- Financial crisis and downturn in Indian economy could result in downsizing manpower and slowing down recruitment of blue collar workforce by the employer/ industry
- Uncertainty in the regulatory environment might affect our fund raising plan for large scale expansion

### 3.5 What are your initial costs for starting the venture and in what time do you expect to break-even?

- As we have already started the venture with our own fund and presently looking at an investment of USD 0.24 million in FY 12-13. We are already breakeven in the second year (FY11-12) of our operation.

### 3.6 How does your business plan to balance profit generation and social impact/goals?

- As a for-profit entity, we do expect a reasonable financial return for us and our investors. However, we are very focused on measuring and reporting our social impact. We are only talking to investors who value us for both our financial and social impact and wouldn't push us too just go for scale.

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<sup>6</sup> City and Guilds, 2010

## 4. Launch Strategy

### 4.1 What is the current stage of your venture and state of progress made?

- Our venture is in operations for over two years and has over 30 clients including Vedanta Group, Jindal Steel Power Limited and JSL Stainless Limited
- We have trained over 1500 candidates and 100% of them have been placed with an assurance of minimum wages, provident fund and employee insurance
- More than 10,000 jobseekers have been registered so far

### 4.2 If your venture is new, what is your launch strategy?

- Not Applicable

### 4.3 What are the funds/resources you expect to require for your venture?

- In the next 12 months, we are looking to raise \$240,000

## 5. Team

### 5.1 Background, experience and education of each team member

#### Ajaya Mohapatra

Ajaya is the Co-founder Techpeople, a private limited company incorporated in 2009. Ajaya has co-founded justrojgar.com owned by Techpeople. Since inception of the Company, Ajaya has steered the skill development initiatives and in his leadership, the company has trained and placed over 1500 candidates so far. He raised fund over Rs.3.5 million from corporates like Vedanta Group, Jindal Steel and Power Ltd., JSL Stainless Limited and International Agency viz. American India Foundation in the last 2 years.

Prior to starting We The People, Ajaya worked with Bhartiya Yuva Shakti Trust (BYST)–CII, WWF-India, Swiss Agency for Development Cooperation (SDC-IC), PRIA, PHDRDF (PHD Chamber of Commerce) and CASA. He was a member of the State Steering Committee on Panchayati Raj, Government of Himachal Pradesh, India.

He holds a Post Graduate degree in Rural Development from Xavier Institute of Social Services (XISS), Ranchi. Ajaya was a Visiting Fellow at the Institute of Development Studies, University of Sussex, UK.

#### Arindam Pramanik

Arindam has over 13 years of extensive experience in treasury, project financing, project coordination and accounting operations. He is currently a consultant with Fore Consultants Pvt. Ltd. and has raised more than 5 million USD for Fore Consultants. He worked with Indus Knowledge offering consulting services to microfinance industry and Bhartiya Yuva Shakti Trust (BYST), a strategic partner to Confederation of Indian Industry (CII) as Project Head (National Policy). He is skilled at analyzing the financial viability of new ventures/ new projects and forecast the amount of project finance/ funds required and conceptualizing and implementing financial procedures. He has handled working capital management, internal financial controls & costing. He holds a diploma in Business Management (Finance) from Institute of Management Technology (IMT), Ghaziabad.

**Ashish Gupta**

Ashish is Chartered Accountant (CA) with over five and a half years of experience in the fields of Accounts & Finance, Auditing, Tax Advisory and other Regulatory services. Ashish being a passionate entrepreneur has been the driving force in developing financial plan for justrojgar and managing the entire finance and accounts of We The People Group. Ashish primary responsibilities are to maintain and strengthen accounting controls, fulfilling compliance requirements under applicable statutes and providing all such assistance as may be required for carrying out business in hassle free environment. He believes in rendering services towards the achievement of the objectives of the company.



**Quarterly Financial Projections for next two years (INR):**

Period		Revenue	Operational Cost	Gross Profit (EBITDA)	Net Cash Position*
Ist Year	Ist Qtr	8,000,000	5,799,887	2,200,113	1,931,955
	IInd Qtr	9,000,000	6,524,873	2,475,127	2,173,449
	IIIrd Qtr	10,500,000	7,612,352	2,887,648	2,535,691
	IVth Qtr	12,500,000	9,062,323	3,437,677	3,018,680
	Total	40,000,000	28,999,435	11,000,565	9,659,774
IIInd Year	Ist Qtr	16,000,000	11,216,704	4,783,296	5,158,767
	IInd Qtr	21,500,000	15,072,446	6,427,554	6,932,094
	IIIrd Qtr	27,500,000	19,278,711	8,221,289	8,866,631
	IVth Qtr	35,000,000	24,536,541	10,463,459	11,284,804
	Total	100,000,000	70,104,402	29,895,598	32,242,296

\*Net cash position reflects only after infusing USD 0.24 million, 0.48 million, 0.60 million in Ist (FY12-13), IIInd & IIIrd Financial Year respectively.

**Annual Financial Projections for next five years (INR):**

Year	Revenue	Cost	Gross Profit (EBITD)	Net Cash Position*
Ist Year	40,000,000	28,999,435	11,000,565	9,659,774
IIInd Year	100,000,000	70,104,402	29,895,598	32,242,296
IIIrd Year	300,000,000	209,887,167	90,112,833	70,794,938
IVth Year	1,050,000,000	722,317,173	327,682,827	83,215,678
Vth Year	2,100,000,000	1,198,872,227	901,127,773	188,843,114