Transworks

Header: Marketing success
Intro: This one got to a flying start…its revenues skyrocketed from US$ 6 million to US$ 6 million in the second year of operations. Fortune 500 companies feature on its clients’ list

Remember the Nasscom-McKinsey report that came out in 1999. That was the first document that projected the potential of IT-enabled Services (ITeS) for India. Rizwan Koita, then with McKinsey, was one of the authors of the report. And he was so captivated by the dream that he set to achieve it with his friend - fellow IITian and MITian – Jagdish Moorjani. They set up Transworks in July 1999. Chrysalis Capital provided funding in two rounds – early in January 2000 and recently in August 2002. While the Aditya Birla Group acquired an 80% stake in Transworks in June 2003 for US$ 13 million, the rest remains with the founders. Prakash Gurbaxani, who joined the company as the CEO in January 2002, brings with him the expertise of having founded and managed the operations of another call centre – 24/7 Customer.

Transworks is primarily into the customer contact centre space. Around 70% of its business consist of telephonic customer contact (30% through inbound calls and 70% through outbound calls), while 20% is web-based contact and 10% is in the area of transaction processing. The inbound calls are for technical support for various products, activation of credit cards, credit status inquiries, information about mortgages and loans. The outbound calls focus on selling financial products – credit cards, payment protection plans, health insurance plans and debt consolidation plans. The web-based support is in the area of technical support and in area of customer support for sale of B2C products – CDs, DVDs. In January 2003, Transworks entered the transaction processing space – order processing for car rentals, loan processing and financial analysis.

Transworks has premises in Mumbai and Bangalore. Mumbai has 400 seats and houses 700 people. Bangalore has another 400 seats and houses 600 people. Another infrastructural investment is planned in Bangalore followed by investment in Mumbai. Transworks aims at 1.6 times the utilisation of the number of seats. This is for optimal revenue realisation and cutting down on costs. The call centre operations run in staggered shifts commensurate with work. For the US operations, the shifts are between 6:30 pm in the evening and 9:00 am in the morning. For UK operations, the shifts are between 1:30
am and 1:30 pm. The arrival of the staff, however, need not follow the exact shifts. The attendance of the staff is optimised for varying workloads during the day.

Call centre operations are very technology intensive and require considerable investments in telecom infrastructure. For the Mumbai operations, Transworks has invested in Avaya/Mosaic dialer, Lucent technology for PABX operations and Cisco for IGX multiplexer and routing. For its Bangalore operations, the Davox dialer has been used while Cisco IPR is in use for MGX, which combines the equivalent of Cisco IGX and Lucent PABX in Mumbai operations. Transworks uses Tata/MTNL connections for connectivity to the VSNL hub. The route thereafter is shared between Singtel, MCI and AT&Quest while Novatel handles local US connectivity. Tata and Bharati handle Bangalore connectivity.

Transworks is the first company to get COPC certified at 3.2 level. COPC ensures that best processes are employed in every activity – strategy, recruitment and training, technology employed, operations and other quality issues. COPC ensures that the best practices are deployed across all projects and this results in client and employee satisfaction, while guaranteeing quality output.

Call centre operations face heavy attrition and Transworks is no exception. Attrition at Transworks is around 35%. The monotony of work along with abundance of opportunities leads to a very high level of attrition. Transworks is making the best possible effort to retain talent. It organises festivals, conducts yoga classes, arranges celebrations and also arranges counselling sessions for the young recruits. One of the most innovative HR policies at Transworks is the MBA programme that the company facilitates with a reputed management institute in Mumbai. Transworks offers opportunities for employee learning by arranging quality higher education.

The company has grown rather rapidly and this points to the marketing success of the team. In the second year of operations the revenues increased from US$ 1.7 million to US$ 6 million. More importantly, the customer profile has improved from small customers to large Fortune 500 clients. While refusing to divulge customer details on account of non-disclosure agreements, Transworks informed that it had three of the largest banks, three top credit card companies, top title assurance companies and top insurance companies on its clients’ list. Transworks plans to grow with the existing clients as there are significant growth opportunities available. This would not preclude exploring other investment opportunities. However, the focus would
tend to be on the financial services segment – banking, credit card and insurance. Though revenues per employee are significant US$ 1,200-1,500 per month, the massive infrastructural investments in call centre operation mean that the net profit is rather poor at less than 10%. Hence, Transworks plans a change of mix of operations away from call centre operations. From the present 90:10 skew towards call centre, Transworks plans to change the composition to a 60:40 mix towards call centre operations and this, it hopes, would increase profitability. The company projects a rapid growth to around US$ 200 million within next the five years and some of this growth could come through acquisitions.

Start Up Year: July 1999
Area of Operations: 90% in contact centre space - email, call centre and 10% in order processing and financial analysis
Location: Mumbai
CEO/Managing Director: Prakash Gurbaxani
Promoters/Owners: Promoted by Jagdish Moorjani and Rizwan Kotia with venture funding by Chrysalis Capital. Aditya Birla Group acquired an 80% stake in June 2003. The rest remains with founders
Approximate Headcount: 1,300
Approximate Revenues: Rs 27.76 crore (2002-03), Rs 8.83 crore (2001-02)