



**Microsoft Unlimited Potential
Case Study: Where technology
galvanizes development**



Where technology galvanizes development

Everyone has heard of the Indian IT brigade returning home from faraway lands because of the immense potential they see for growth back in India. Kashinath is one such expatriate who has returned to India—but his time abroad had nothing to do with computers. He was a zookeeper in Saudi Arabia—yet he too has come home to work in the IT-enabled service industry as part of the rural business process outsourcing (BPO) bandwagon that is making slow but steady inroads in Tamil Nadu.

Today Kashinath is a proud entrepreneur, the owner of a BPO center in his village Kollumangudi, Thiruvannur district, Tamil Nadu. Though he is earning less than half the amount he was earning abroad, he is confident that the BPO center will soon generate more work for him and the community in the village.

On his return from Saudi Arabia, Kashinath first went to Chennai and worked on computer-aided design for a corporate house. Then he saw an advertisement in a newspaper about rural Internet kiosks. It was the opportunity that Kashinath was looking for. He started the kiosk in his village and began living with his family again. (His wife is a nurse in a government hospital, so she could not join him in Saudi Arabia or in Chennai.) For the villagers of Kollumangudi, who previously had to travel 30 kilometers (18.6 miles) to access internet facilities, this was a great service to have at their doorstep.

There are several of these kiosks in the area, offering internet access as well as other services such as education to rural communities across Tamil Nadu. Most of these kiosks are part of a network set up by the Indian Institute of Technology Madras (IIT-M) and n-Logue Communications Pvt. Ltd, an IIT-M incubation focusing on rural connectivity. These kiosks signify the shaping of a vision into a reality—a vision where information and communications technology (ICT) changes the socioeconomic equations in rural India and empowers those who had been marginalized.

Microsoft, who has built a strong partnership with IIT-M to develop ICT-enabled services for rural communities. The partnership has worked to foster sustainable business models

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and affordable technologies to deliver these services to the remotest of villages. One such technology is called “pay as you go”. This technology allows a PC to be recharged for a specific number of hours—like a prepaid cell phone—thus allowing companies like n-Logue Communications to offer kiosk owners the option of buying a computer and paying back the cost over a flexible time period through monthly “recharges,” with the recharge amounts varying based on PC usage. This model provides entrepreneurs a flexible payment mechanism instead of tying them to fixed monthly installments that might not always align with business revenue flow. With the pay-as-you-go model, Microsoft hopes to help entrepreneurs running rural kiosks expand into new business areas. One such business opportunity is rural BPO.

Rural BPO is an attempt to use the increasing urban demand for data management, multimedia programming, translation, and other services to fuel employment and wealth generation in rural India. One rural BPO project was implemented by DesiCrew Solutions Pvt. Ltd. with support and funding by IIT-M. The project also received strategic input and guidance from the Telecommunications and Computer Networking Group (TeNeT), a think tank of IIT-M faculty members. DesiCrew’s central team, based in Chennai, manages training of the rural workforce, distribution and monitoring of work, quality control, and client interaction. DesiCrew builds capacity in villages, creates the right systems and networks for remote operations, and ensures professionalism and quality standards.

Kashinath is one of DesiCrew’s star operators. Eight months ago, his Excellent Computer Education Center kiosk was upgraded to a rural BPO with five computers. “He is a good manager,” says Saloni Malhotra of DesiCrew. Furthermore, because Kashinath runs science and math tutorial classes for high school students, he has a network of people with computer skills that he can tap for BPO work.



Kashinath has employed four young women to work at the BPO. Kashinath’s BPO has done data entry and data conversion work for clients from Delhi. The staff members have also digitized the yellow pages of telephone directories for clients in the Indian cities of Ahmedabad and Chennai.

In addition to data entry and other BPO work, Kashinath’s center imparts computer skills to the community. Students come in to learn how to use the Windows® operating system and

the Microsoft® Office system; shopkeepers want to learn accounting software so that they can perform accounting and billing tasks faster and more easily. "My center and the facilities it offers are making a difference to the life of the community," says a confident Kashinath. His employees are equally enthusiastic, all aware of the unique earning and capacity building opportunity that they have—and eager to make the most of it.

Vembu, 18, joined the BPO in April 2006 because she was unable to afford college. Today, as she gains confidence and skills, she continues to nurture her dreams of studying further and going to work in Chennai to build a better life for herself and her family.

Prabha, another employee, is also 18, and her father is a farmer. Like Vembu, after her schooling Prabha took a course in computers at Kashinath's center. She cycles 3 kilometers (1.9 miles) to work at the BPO every day. She would like to study business administration, and this job enables her to put aside some money for her education. Because young women in the village do not normally join the exodus of migrants to the city to improve their prospects, Kashinath's employees are women. These employees are keen to remain in the village and contribute to enriching their community. For them, the benefits of working at the BPO go beyond economic gain and personal skill enhancement. All of the women at the BPO command enormous respect and social status in the village because of their skills and the financial support they provide their families. In a community where women are usually among the most marginalized, with limited participation in important family or community decisions

and scant opportunity to expand their horizons beyond their homes, this respect is perhaps the greater reward that the BPO employment opportunity brings.



Saloni of DesiCrew points out that some young people, after gaining experience at a BPO, want to become entrepreneurs. They might buy a computer and start their own center. There is growth, even if it is very slow, in the earning capacity of villages where the BPO units are running. "We would like to see each three-seat BPO earning Rs 15,000 (US\$351) a month," Saloni explains. "Right now their productivity is low because not enough work is available. But the rural BPO units have demonstrated their hunger for work. We have to get it for them." Only then will DesiCrew, TeNeT, and Microsoft realize their shared dream of using technology to galvanize concrete, ever-expanding, and self-sustaining development—and bring prosperity to underserved villages in India.

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