



Technology Business Incubator (TBI)

The need for instruments such as TBI has been recognised the world over for initiating technology led and knowledge driven enterprises. Studies also show that such mechanisms help not only in the growth of technology based new enterprises but also in improving their survival rate substantially (from 30 per cent to over 70 per cent). TBIs also facilitate speedy commercialisation of research outputs.

The TBI of National Science and Technology Entrepreneurship Development Board (NSTEDB), Dept. of Science and Technology, (DST) provides varied services such as Market survey/ marketing assistance, Business planning and training, Organising management/ technical assistance, Assistance in obtaining statutory approvals, Information dissemination on product ideas/technologies, Syndicating finances, Arranging legal and IPR services, Using facilities of the Host Institute (HI) at nominal charges, Work space for a limited period, etc. The TBI besides providing a host of services to new enterprises (and also to existing SMEs in the region) also facilitates an atmosphere congenial for their survival and growth. The essential feature of a TBI is that the tenant companies leave the incubator space within 2-3 years. Their main objectives are creation of technology based new enterprises, creating value added jobs & services, facilitating transfer of technology, fostering the entrepreneurial spirit, speedy commercialisation of R&D output and specialised services to existing SMEs.

The Incubator

Centre for Innovation Incubation and Entrepreneurship (CIIE) is an initiative by IIM Ahmedabad to promote innovation and entrepreneurship by translating high-tech and mass-impact innovation in various disciplines of science and engineering into products, processes and services. CIIE was setup in 2001 with the support of IIMA, Gujarat Government, and Department of Science and Technology, Government of India. CIIE facilitates incubation of new enterprises with innovative technologies by providing physical, technical, intellectual and networking support. Other objectives of CIIE include research in the area of innovation and entrepreneurship and dissemination of knowledge through case writing, entrepreneurship clinics, venture conclave etc. The Incubator is currently supporting a diverse range of technologies in various domains including aerospace, cleantech, electronics/semiconductor, IT, telecom, medical and social entrepreneurship. To date CIIE has founded 14 incubate companies and VMukti Solutions Pvt Ltd is one of them.

Our Achiever

VMUKTI

Ultimate Freedom,

Ultimate Entrepreneur

The enterprise VMukti Solutions Pvt. Ltd. owns its name to a school sign board saying *Sa vidhya ya vimukhthye* (meaning only knowledge can give you ultimate freedom), the entrepreneur owns his standing to a determination made as early as grade VIII. Computers have become a part of almost everyone's world, but becoming a part of the world of computers was a decision and a dream that has been fulfilled by the entrepreneur with a perseverance displayed by very few. The seeds of the dream were sown in school, the inspiration to work towards its realization came from none other than Shri APJ Abdul Kalam. Hardik Sanghvi, CEO, VMukti Solutions Pvt. Ltd., faced many hurdles including language barrier, rejections by the US consulate for visa – not once but twice - to arrive where he is today. Read on to find out where he is today.....

The A & B cities of Foundation

Hardik Sanghvi was born in Ahmedabad on August 4, 1978. His is a family with a difference - with four generations including his grandfather and his children staying together under one roof and working together towards one goal. His brother, Kushal Sanghvi, is a commerce graduate with MBA in Finance and diploma in import-export as well and is currently the Chief Financial Officer in VMukti.



Hardik Sanghvi

He has spent most of his childhood in Ahmedabad except for a few years when his father got transferred to Gujarat Narmada Valley Fertiliser Company (GNFC), Bharuch, where he worked as Finance head in one of the GNFC subsidiary.

Although majority of the schooling was in Ahmedabad but the passion and craze about computers started when he was studying in Baruch. Computers were a novelty in most of the schools in Ahmedabad in 1989-90. But it found one very passionate and enthusiastic student who decided that if a career has to be built, it has to be in computers. The passion extended beyond computer classes and beyond school hours and ended with a special rapport with the instructor. The fascination further led to a rushed lunch and a re-visit to the school in the second half for another four-five hours,

learning the intricacies of the computers that he was so addicted to. The liberty to be in school extended to Hardik alone who was assigned the duty of tutoring others in this novel science and he also developed the first game in basics – the programming language used then - in grade 9th. This was followed by a three year break due to the board examination. But it did not reduce the passion for computers at any level.

An engineer in the making

Streaks of engineering were discovered in Hardik during early childhood when he dismantled all his toys and assembled them again. The push towards an engineering degree in electronics and communication was provided by a cousin. Although Chemical engineering topped the list at that time but computers dominated the thoughts and were instrumental in the final choice. A BE in electronics & communications from Dhamse

Desai Institute of Technology situated in Nadiad and affiliated to Gujrat University, was procured.

MS from the US of A was next on the agenda of Hardik who got offers from US colleges but the visa was rejected on the ground of financial status.

Employment before Entrepreneurship

Hardik took up his first job with TCS, Ahmedabad as Assistant Systems Engineer – Trainee in May 1998. At least 30 graduates from his college were selected by the company but only two worked on innovations and research projects. This included Hardik and his friend Deepak Girdhani, who were also the team leaders of projects on new technology for National Dairy Development Board. In 1999-2000 Dotnet was a latest technology and he had gained expertise in it and used it to complete assignments successfully.

TCS gave him a project that was stuck with the Government of Gujarat for three years and the project was neither moving forward nor the money was being released. The project was completed within the shortest span of one and half months and the payment for the company was released. This was Hardik's answer to the TCS acid test.

Landmarks

1. Angel funding
2. POCs with fortune 500 companies - Google and Computer Sciences Corporation.
3. Vibrant Gujrat 2009 was exclusively broadcast using VMukti platform. For the 1st time thousands of people viewed Vibrant Gujrat live in four different sessions using the VC platform.
4. Nomination of NASSCOM IT Innovations twice as recognition and Red Herring Asia finalist and Source Force finalist for two consecutive years (which houses more than 15000 open source products).
5. NASSCOM award for one of the top 50 emerging companies of India.
6. ISBA best incubate in the ICP industry of DST.

Although the assignment was successfully completed, it also involved a presentation to the IAS officers, which made Hardik realize his shortcoming of not having enough command on English language as well as the need to improve upon his overall communication skills. He realized that although the job involved computers but it was more than coding.

The TCS Exposure

With TCS being a huge organization it was difficult to get the task of one's choice or liking. But with initial success Hardik had a say in everything during the two years that he stayed on with the company. TCS was also a massive exposure and it helped to move from the ground level to higher strata in terms of technology, communication skills. With TCS recognition poured in. They ignored his lack of communication skills for his technological expertise. Not only this he also got the chance to pursue his passion to study further and appeared for the second round of GRE in 2000 June. Luck betrayed him once again and despite high scores his application for visa was rejected on grounds that he would not be able to sustain his expenses in the US.

The *Hardik* wish coming true

Hardik always wanted to go to go to US for exposure. One way was through student visa. But as per the law then if the visa was rejected two years in a row one could not try for the next two years. In TCS, however, after one-and-half years employees are sent on-site for projects to the US. One such project was also assigned to Hardik but the visa rejections proved to be a deterrent.

His birthday in the year 2000, however, proved to be lucky for him when he got confirmation of a H1B visa through a lottery system for an IBM project. His was one of the lucky five passports who were granted visa without the formalities of interview, etc. He took a couple of months to finish the work at TCS and flew to US to work for IBM. Hardik stayed in the US for 3 years and after IBM worked for Xerox for a couple of years. He came back to India in September 2003.

In-between-job entrepreneurship

Hardik's first venture in entrepreneurship started even before TCS when he had launched a website portal for herbal products called Biochips.8.com. He had even tied up with local herbal doctor for herbal cigrattes and herbal ingredients. More than 500 queries for samples were generated then. But as students they faced hurdles of logistics and supplies. The portal had to be shut down after six months due to these constraints.

Despite taking up regular jobs entrepreneurship always lingered at the back of his mind more so as he developed independent thinking over the years. The 16 hours of work schedule at TCS always triggered the desire to work independently and not have any bosses. The possibilities of being one's own boss was very-very lucrative and the idea germinated while working in US for Xerox.

It was here that the idea of a business in IT was born. Hardik started sending work from the US to the channels and friends that he had in India six months prior to his return. These contained projects on building courseware for the next generation technologists. Among them were a five-day course content including both theory and practical that was developed for IBM.

Back in India in the year 2003, the entrepreneurial journey began with the registration of Adiance Technology Pvt Ltd. and an office on CG road – the business road of Ahmedabad. His team consisting of 10 people did custom software development for clients.

Together We Can

The initial resistance and advice from the family to continue for a few more years as the job was very lucrative in US was there. The resistance was expected as both Hardik's father and grandfather were employed, so the fear of not performing as an entrepreneur was there. This gradually turned into total support with the extension of some service or the other by all the members in his present venture.

The Kalam *Kamaal*

Part of the team was always assigned to focus on software and building something new - developing a product of their own. VMukti is Hardik's third entrepreneurial venture and the most successful one. In the year 2005 he was passing through a village where a school sign said *Sa vidhya ya vimukhthye – meaning only knowledge can give you ultimate freedom*. VMukti meaning ultimate freedom was born thus. As a concept it began in February 2005 while attending NASSCOM seminar where Dr APJ Abdul Kalam was invited to deliver a lecture to a group of 1600 delegates. He virtually challenged all to build a knowledge platform that could serve voice based solutions. Besides generating a lot of wealth it could also serve a social cause, Dr Kalam had professed. He had also sighted two examples of video conferencing that set the ball rolling for VMukti.

Uncommon Solutions for Common people

VMukti gradually began to serve 50 business partners for voice over IP Solutions, popularly known as VoIP. They delivered call centre softwares, audio conferencing, telecom gateway solutions – all voice based solutions. Increasingly more customers started enquiring about integration of video to voice based solutions. Video based call centres or video conferencing started and prompted a serious effort in this direction. In September 2005 the company began a market analysis. Hardik realized that a basic concept was the need for such solutions. The ongoing process of development exposed them to real issues and Hardik soon realized that Polycoms and webx were good only for Tatas and Ambanis and all such big groups as they were very expensive.

Secondly they were good only for one-to-one or one-to-four or five people. It was not scalable and even then the bandwidth requirement was very high and was not within the

reach of everyone in India. The quality of VC was also very poor. Hardik realized that a p-to-p (peer to peer) solution would consume 70 % less bandwidth or infrastructure as compared to other solutions. With it he also realized that no matter how good the idea is cash is required to make it a success.

Angel Funding

Hardik realized the need to develop a product with or without funding. It had to generate revenues from the very beginning. The company had to search for that kind of model. What basically VMukti did was to embrace open source model with funding from the service business. The next thing that was to release the product in open source – and VMukti became one the first companies to do so in India. This gave them enormous amount of visibility, recognition and also customers who would fund for the development of the modules as per the need in this area. That kept the company going and then eventually in 2007 IIM–A happened.

VMukti got through a rigorous process of selection and in October 2007 they got incubated at CIIE. They received funding from the Department of Science and Technology which started taking care of the financial needs of the company. VMukti Solutions Pvt Ltd. was registered as a separate company. All employees shifted from Adiance to VMukti. Adiance continues to exist and do BPO kind of work or inbound call centre activity. In December 2007 VMukti was also bestowed with angel funding.

Reaching The Masses

Hardik plans to raise funds and get about 4-5 million dollars mainly in growth area since his products are complete more or less as VMukti has also received Intel certification for the products. He also plans to aggressively move in the market through partners in various verticals and geographies, identify partners in revenue share basis. Reaching out to the masses is the idea it is being very cost effective and scalable high quality platform is the true enabler for video conferencing for the masses.

Recession Proof Products

“Our product is recession proof because it is for both good and bad times. When the people are looking at cutting cost they cut down travelling so video based conferencing and communication is a big enabler to cut the cost. Similarly video based training and e learning is a big channel to avoid getting people at one location and incur the cost in their training. Same for call centres as they grow in developing countries such as India and China as they are outsourced during the time of recession. So we are not being affected. But the cycle of sales which was earlier two weeks now becomes four weeks” a optimistic Hardik points out.

The Team

VMukti has 30 people in-house but over all 100 people are working on the product while the rest of 70 people are working from 7 different countries around the world including China,



Russia, Ukraine, Macedonia, USA, Egypt, Serbia. “Getting good people for a startup is difficult, so we started getting the best people in the various geographies , working on contract for us”, Hardik says and adds “this model has worked very successfully for us and some of the best brains of the industry are working with us”. Almost 80% of VMukti team members are from IIM-A.

Quality Check

1. Testing, verification, feedback over the period of time has ensured our maturity.
2. Intel certification
3. Professional testing company to continue testing new version and features of the products.
4. In house team of nine people rigorously doing in-house testing of products.

Present Turnover

VMukti boasted of Rs 40 lakh turn over last year. This year it will certainly surpass that.

Success Mantra

Hardik attributes his success to hard work with luck playing a part in it. It is a 70:30 break up for him. “Luck always helps if you put hard work in the correct area. There is no alternative to hard work and this is one of the policies of the company. The journey is still on, the learning is still to be done as I am still a student and hope to learn throughout this journey”, a very-very optimistic Hardik Sanghvi says.

About the Incubate Company

VMukti is an open-source, cloud-based HD video communication platform, conceptualized in September 2005, with proof-of-concept launch in April 2006. VMukti is an emerging product-related software company targeting the US\$50 billion video communications industry, with the potential to save clients 80% on bandwidth and storage infrastructure via state-of-the-art client and server-less, broadband-ready platform features. VMukti received seed funding from CIIE at IIM Ahmedabad (India) and boasts a development team spread across seven countries, representing the best expertise in their respective fields. Two of VMukti’s existing pilots are with Fortune 500 companies. VMukti offers three primary product verticals: streaming, conferencing, and IP-PBX.

The Products

VMukti has designed a video communications cloud-based platform that enables the convergence of voice, video and content over IP (VVoIP application platform) through a distributed peer-to-peer (P2P) platform that supports the construction of a number of video and voice features (or to support pre-built features) in areas of Web conferencing, call-center operation, and distance education, among others. The company is focused on video communications, offering a combined hardware/software solution under the software-only or SAAS (software as a service) model.



The company has three vertical product features, as follows:

1. Streaming feature is a widely distributed streaming HD video content solution and similar in appearance to YouTube, except that it has the capability of providing coverage of live events (as well as prerecorded ones) with the added feature of full two-way audio and video communication. The system is 100% browser-based (resulting in low bandwidth and infrastructure costs) with no proprietary licensing fees, plus the ability to support multiple on-demand sessions.
2. Conferencing feature offers P2P HD video conferencing with a large number of add-on features, including an integrated scheduler, live text chat, desktop sharing, and co-authoring of presentations through a whiteboard process or other mediums. The product is VoIP and video-enabled and accommodates third-party module support. There are no telephone charges except for applicable data rates.
3. Predictive Dialer feature is a broadband-ready, server-less PBX and call center solution, provided as the world's first Web-based peer-to-peer call-center software. It has the ability to seamlessly integrate with Meeting Place and provides access through the use of desktop, handheld, or smart-phone devices.

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