

Newer ideas from Ideacts

The creativity and out-of-the box thinking of a few college-goers led to the birth of a product called CLINCK, a new concept in advertising and finally the launch of a company—Ideacts Innovations.

Renuka Vemba tracks the eight-year-old idea and the two-year-old company



Though the cyber café expansion numbers in the metros have been stagnant, there is still a high growth in the tier-II and tier-III cities

It is a story of three friends—Rudrajeet Desai, Saurabh Khullar and Maninder Gill. Sounds like a Bollywood flick, but this one is real. A casual conversation on the effectiveness of advertising and the huge hoardings that occupy the skylines of the metros, ended in the launch of Ideacts Innovations—a new step in online advertising.

Recognizing the potential of the Internet and the impending boom of the cyber café business, the young college-goers embarked on a journey that is now thriving, and the knowledge and experience, enriching.

The company has rapidly expanded its cyber café networks to 3500, from the initial start of 625, and to over 21,000 terminals, from merely a 1000, all over a two year period. The

company now boasts of clients like Cadbury, Perfetti, Axe, Gillette, Colgate, Pepsi, White Mischief, Dell, Idea, Virgin Mobile, Nokia, Yamaha, SET India, Radio Mirchi, BIG TV, MSN, Yahoo, Ebay and others.

The genesis

Maninder Gill, Head Technology, Ideacts Innovation, said, "Internet cafes were starting to mushroom in India and not many people bought their own PCs. It made us realize that one day computer screens in cyber cafes could be used for something more interactive. That was the genesis of a smart desktop computer application."

Though the cyber café expansion numbers in the metros have been stagnant, there is still a high growth

in the tier-II and tier-III cities. In fact, Gill says this figure has been around the 5%-6% mark.

After a test launch in 2000 covering about 80 cafes, gauging the encouraging responses received, and the user and advertiser inputs, the young but innovative minds decided to hold on to the idea till the Internet bubble burst receded and the markets recovered.

The friends turned into business partners and got back together to form the company in May 2008, when the markets stabilized and advertising revenues picked up pace. Desai and Khullar came from the management side of academics and Gill from the computer side. So the challenges they face while incubating the company did not rise out of the technology aspect.

Their individual experiences in the interim, of about six to eight years, helped them through the initial phases of the venture—to sell the business idea and attract funds, and to apply the knowledge and skills.

The company came into focus after the founders approached Venture Capital firms for funding. Sequoia Capital, India, recognized the potential of the business plan and backed the founders with funding and guidance, leading them to the growth that we see today.

What is CLINCK?

The center point of their business is CLINCK—an active desktop application targeted at cyber cafes that becomes the default interface for cyber café users, to access the Internet, and substitutes the conventional desktops. This also forms their main revenue generation stream.

CLINCK just occupies 1/4th of the screen space, and is located at the bottom right hand corner of the monitor.

Since its inception in 2007, CLINCK has run over 250 campaigns for advertisers across sectors, attracting more than 110 leading brands including Perk, Pepsi, Axe, Orbit, Haywards 5000, White Mischief, Yamaha Chevrolet, Fast Track, Nike, Lenovo, Nokia, Dell, Airtel, Intel, Idea, etc., amongst others.

Brand managers and advertisers run advertisements on CLINCK (which is the custom interface). The platform entails three-fourth of the screen space reserved for ads, with the rest being used for links to Internet tools and up-to-date content.

It hosts advertising inventory and currently reaches 6.3 million users per month.

The other most important product of the firm is the CLINCK Cyber Café Manager. It is an accounting and management software for cyber cafes. CLINCK Cyber café manager is a robust accounting system, which the café owner can customize according to their needs to add inventory, surfing time, printing, scanning and other services. It also has feature built-in compatible with cyber crime solutions.

They have also introduced an all-India login id which enables users to access with their id from anywhere, without having to resort to providing personal information and validating proof, repeatedly. This as a mandatory law enforcement requirement and a security protocol measure will go live in about 400 cyber cafes in India, in the next six to eight months.

Company focus

Gill gave an overview of the three major verticals in the company:

Technology: The in-house technology team develops and maintains applications like CLINCK and CLINCK Cyber café manager. There is a team working in various specializations like VC++, .Net, Web 'n' Graphics, QnA and DBA. The tech team maintains the application across India, from just one location—Pune, where a group of 27 experts stay put.

Sales: There is a media sales team, specializing in online sales and dealing with brands, brand managers and agencies. The ad sales team sits out of Mumbai, Delhi and Bangalore. They are the revenue generating team of the company.

Operations: A 'feet on street' team is in place that acquires and maintains the base of cyber cafes across India. They are responsible for the smooth running of the applications from a remotely controlled environment.

The challenges that stood in their way did not emerge from the technology since CLINCK was a standard application replacing the

desktop. It surfaced more from the sales point of view—for them to understand and grasp the nuances of the offline-online mix, the different pricing systems, harnessing the new medium, creating a foothold in the market, etc.

They pay the cafes a fixed pricing model whereas it is a variable component that they earn from advertisers.

Ideacts has 96 people on board, with the Technology Development Center based out of Pune, the headquarters being located in Mumbai, with offices in Bangalore and Chennai, and also sales and operations carried out of Delhi too.

They also provide pricing, location, geo-targeting—all on a customized basis.

Future vision

They aspire to take CLINCK across the tier-II and tier-III cities (like Lucknow, Nagpur, Ludhiana, Patiala, etc.), where the growth and penetration is going to be significant. They are also aiming at expanding the cyber café network to 50,000 terminals by the end of this year.

On the technology front, there are plans to roll out more robust applications and increase the remote management technology.

There is also work in progress to get CLINCK Cyber Café Manager mandated across the café base. Ideacts is currently working with various cyber crime cells and the government authorities in this regard.

renuka.vemba@expressindia.com

Economic climate change affects hardware refresh cycles

Continued from Page 14

recession-hit times to find companies who are in the red and struggling to get a grip on their finances. How does a CIO adapt to such a situation? Subrata Dey, Executive VP Information Systems & Supply Chain Logistics, Godrej Sara Lee feels that a technology decisions maker needs to maximize benefits from the existing investments in IT and highlight the benefits. "Very often the benefits are not highlighted and therefore it becomes difficult for the business to understand the benefits of IT," he said.

It goes without saying that reduction of waste and optimizing costs wherever possible are the other priorities. "This is a good opportunity to create more awareness in these (energy-conservation, waste-reduction) areas," Dey said. "Also, one should look for innovative ways to improve processes and

enhance productivity."

Wherever investments cannot be put on hold, it's important to maintain transparency during project execution. "Nowadays even if you have planned your annual budget of capex and opex, all major spend are monitored more closely and there is a need to hasten project deployment, show early benefits for funds deployed," said Melwyn Menezes, AVP-IT, ICICI Prudential AMC Limited. "Only critical and very important projects are now taken up and the days of excesses are gone."

Menezes also endorses the view that CIOs have to move out of their technical grounding and know more of other department functioning if they have to provide robust platforms for business. "The IT function has the advantage wherein they can know more of other functions so that they can effectively support the business," he notes. Also, he

observes, help is at hand for those CIOs desirous of learning more: "Organizations do provide short orientation courses for management to learn on cross department functioning." He feels that in these times it's very useful to be aware of other core functions such as operations and compliance.

There is also widespread support for the argument that this is the right time for CIOs to assert their role in the strategic planning of organizations. Something that goes beyond merely lengthening hardware refresh cycles. Menezes notes that even if CIOs outsource most of the activities of the IT department, the core responsibility of understanding the business and being a bridge between technology and business still remains with the CIO.

aditya.kelekar@expressindia.com