Making HR a strategic function rather than a tactical one was the premise on which Darwinbox was founded. An HR tech platform, it gives an employer a 360-degree view of an employee—performance trajectory, salary, promotions—thus easing the decision-making process. India Now Business and Economy speaks to its founders Jayant Paleti, Rohit Chennamaneni, and Chaitanya Peddi—to discover the influence of digital innovation in a significant function such as human resources.

How did the concept of Darwinbox take shape?
In November 2014, when working for a corporate consulting firm, Jayant realised that the companies he was advising could have better understood the HR functions of the company they were merging with. In addition to that, the founders had no idea about attrition in their own company and believed that it was less than what it actually was.

We casually discussed our experiences with difficult-to-use HR software. We set out to study the HR tech market in India and looked at the various products available. We discovered that most focussed on only one or two aspects of the HR’s role.

The need of the hour was a comprehensive, integrated product that could provide a one-stop solution to all the technical aspects of the HR department. There was a huge gap in terms of the demand and supply of quality in end-to-end HR technology for enterprises.
How did you bridge this gap?
So we decided to build a platform that can make the HR department intelligent. Darwinbox takes care of all HR needs across the employee life cycle—from recruitment, onboarding, employee management, payroll, leave, transfer, and performance management to exit management.

We want to engage and empower employees while automating and simplifying all HR processes. Our foundation is built on ensuring that the product is intuitive (higher usage and lesser learning time) and integrated across all facets. Our solution not only caters to operational/tactical workflows for HRs, it also helps companies engage their employees over multiple channels.

We follow the SaaS model (software as a service), so there will be no large upfront costs/licence fees, or the need to invest in costly IT infrastructure. We charge a subscription fee per employee per month; this pay-as-you-go pricing model gives our clients the flexibility to grow without having to worry about licence restrictions and IT infrastructure limitations.

What is the profile of your clientele?
Darwinbox was built to solve the complexity in HR, and to make the end user’s life much simpler with the most intuitive interface possible. At present, we serve more than 100 enterprises with a total of 250,000 plus employees. Our marquee clients include Dr Reddy’s, Paytm, Nivea, Myntra, GVK Bio, Delhivery, Ekart, Swiggy, and more.

Being a pure-bred product company, our primary offering to our clients is our HCM product (serviced in a SaaS model - pay per employee). While a majority of our clients subscribe to the entire suite of HCM modules available, we also provide them with the flexibility to choose specific modules as per their requirement. The solution can function modularly to serve only the talent management or workforce management needs of an enterprise.

To start operations with a modest capital meant that investments needed to be made carefully. Could you give us insights into your investment journey?
We always knew that product superiority and market-fit will drive success in the long run, be it in terms of customer acquisition or to raise funds. Even in our early days, when the operations were funded by self-investments, we prioritised design and tech talent expenses over every other aspect.

While capital was critical for us to grow, we sought investments that can be strategic in terms of the support system they offer. When we raised our seed round of funding, the market sentiment around startup investments was not the best and it was difficult for us to find venture capitalists who understood enterprise tech, which is quite unlike the consumer tech that is prevalent.

We are glad we raised funds from Endiya Partners, 3one4 Capital, and Lightspeed India Partners who came with extremely deep-rooted experience in building enterprise tech companies.

The latest round of investment was for US$ 4 million in July 2016 from Lightspeed India Partners along with our seed investors. Presently, we operate in the Indian
Automating HR processes, Darwinbox provides six comprehensive features set across employee life cycle. Geography while we are expanding to international markets, beginning with Southeast Asia. We have been growing at three times year-on-year and have gained a critical mass of clients and annual revenues nearing US$ 2 million.

How has the Digital India initiative helped businesses such as Darwinbox?

As our end users are employees constituting the organised workforce of India, we primarily consume information through this initiative, concerning employee identity and taxation. From Aadhaar verification for employee background checks as a part of hiring to e-taxation solutions, we integrate with digital solutions that are directly or indirectly an outcome of Digital India.

The Startup India initiative too has positively impacted the sentiment of the entire startup ecosystem, helping us thrive and receive all the support we required.

There are many HR tech startups in India—some established and some relatively new. What is your differential strategy in such a competitive market?

The HCM market today is populated by either traditional ERP solutions that have not been received well by the end users (employees), or by individual solutions that only cater to one of the many HR aspects.

There are HR tech providers like SAP SuccessFactors, Oracle Fusion HCM, Ramco HCM, Adrenalin, and Cornerstone On Demand, which like us offer services for mid- and large-sized firms. In such a scenario, Darwinbox differentiates itself in five major ways:

• Intuitive user experience: Enterprise tools lag far behind today’s consumer apps (for example, Uber, Facebook) with respect to quality of technology, usability, and scalability. At Darwinbox, we aim to bridge this new ‘digital divide’ and build products that are as effective as your daily use products. Our HRMS platform is built with a clear focus on intuitiveness and scalability, with standards of best-in-class consumer apps.

• Integrated platform: We take care of all employee needs with one login ensuring seamless information flow between multiple modules with no loss in data/errors due to manual intervention.

• Intelligent: Analytical frameworks to not just report from available data but focus on decision-making frameworks, which are data-driven. For example, succession planning, interviewer effectiveness,
attrition prediction, and promotion effectiveness.

• Open platform: Darwinbox is built in an open API framework, which allows it to easily integrate with any system in the future which again will improve the experience of both the employees and administrators alike.

• Faster time to value: At Darwinbox, from the first point of contact to the last, it is one organisation and ideology that touches the clients. Insights gained during the sales process are carried forward to the implementation stage by the same team to drive results five times faster than the alternatives available in the market. It also ensures that what is promised is ultimately delivered.

How does Darwinbox act as a talent management system?
Primarily focussed on driving culture-impacting and talent-critical strategic HR initiatives through technology, our platform facilitates engagement across multiple stages of the life cycle. Pulse surveys and organisation-wide social network keep the engagement levels consistent and also provide the managers with a way to identify disengagement.

The talent management suite in Darwinbox is designed to be continuous and collaborative. It encourages regular feedback and captures more than just a single-dimension view of the manager by gathering inputs from multiple stakeholders. Thus, it reduces the probability of biased judgements. Also, our career development feature allows employees and employers to align mutual aspirations.

Above all, our technology strives to deliver insights to management and decision-makers from all the interactions and data captured. AI-driven analytics highlights the risk of attrition based on multiple indicators like attendance patterns, manager changes, transfers, performance ratings, and rewards, helping organisations to arrest attrition at an early stage.

What is the way forward for the organisation from your perspective?
Darwinbox now consists of six modules; we plan to build more modules and integrate with other enterprise apps to complete the HR ecosystem. With an aim to deliver the most intuitive and insightful enterprise HR technology solution, our development efforts are channelled towards innovations like voicebot, which we have launched, and will continue to invest in similar deep-tech solutions. The other major focus would be on accelerating our marketing and sales efforts to expand the product across the country as well as to plan global expansion. We have built our product to global standards and intend to take it to other geographies.

(As told to Melissa Fernandes)