[CHECK OUT]

CAN YOU RISK IT?

TRACKING DOWN:
Hatim Baheranwala (left) with
Ashok Hariharan of IDfy

Résumé verification has gained currency and some companies have made it their specialization

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When you look to employ an individual in your organization, do résumés guarantee authenticity of all details mentioned? Or when you rent out residential space to a tenant, can you validate all documents yourself? For the risk-averse lot, there are a plethora of services provided by firms that specialize in background verification.

"As organizations fight for the best talent available in the marketplace, it has become a necessity to get insights they need to hire people with the right skills and backgrounds. Using a proactive approach to screening is enabling companies to make informed hiring decisions, which results in improving the quality of hires," says Wayne Tollemache, Executive Managing Director, First Advantage, in its 2012 *Background Screening Trends—India Report.*

Right start

In 2006, Rakesh Antala and Alex Mittal (both aged 26) qualified as semi-finalists for a B-plan competition at Wharton Business School. They presented an idea for a venture—offering background checks and verification services—which got incubated at the B-school to receive investor attention subsequently.

No surprises then that it eventually materialized into a Bengaluru-based startup, Crederity, in December 2007. "There is a lot of potential for growth as everyone today wants to be furnished with authentic details to know who they are dealing with," says Sateesh Andhra, Managing Partner, Ventureast Tenet Fund, who invested ₹10 lakh in Crederity.

"In 2008, the recession hit us but we decided to take advantage of the situation. We invested time in product development and moved to creating a customer base in 2009," says Antala, Founder, Crederity. Business

Photo Joshua Navalkar

operations and revenue generation took off in February 2010.

The year 2006 was a turning point too for Arvind R Mandali, 38, when he decided to diversify into the field of screening, verification and risk management services, after a corporate stint at Sify Technologies Ltd, an internet and software solutions firm. A niche business in India back then, he betted on the success it had garnered internationally and started Dcode Research Private Limited in Bengaluru, which is self-funded with seed capital of ₹12 lakh.

More recently, Hatim Baheranwala, 27 and Ashok Hariharan, 34, started IDfy in Mumbai in May 2011, prompted by the need to dig deeper for authentic details while skimming through résumés, during a recruiting exercise at Gaboli, the digital agency they worked for. They launched it with a seed capital of ₹80 lakh financed through personal savings and angel investors.

Business of identity

Essentially, verification involves requests for a detailed check by individual customers or corporates for employees or their representatives. The procedure validates a person's identity, qualification, residential proof, as per specifications and nature of the customer. Verification for criminal records differ from matrimonial and employment checks. However, there are a few things common across all three firms.

While Crederity and IDfy also cater to large corporations, the three firms, including Dcode, serve small and medium businesses (SMBs). In all cases, verified profiles are highlighted with a company's distinct seal. Crederity and IDfy serve individual customers too.

While Crederity has big-ticket names like Wipro Ltd, PepsiCo India Holdings Pvt. Ltd., Accenture Services Ltd. and Naukri.com on its check list, IDfy is on the recruitment verification council for Indian School of Business in Hyderabad. Its other clients include OnContract—a job-hiring website and

TOBOC, an online trading resource for SMBs and Gaboli, to name a few on their list. With a total of 115 clients, Dcode is looking to increase revenues by 30 percent each year. To beef up its portfolio, Dcode Founder Mandali plans to acquire small risk verification firms.

"We have three levels of quality checks that include documentation, identification and verification. We completely avoid verbal checks," explains Mandali.

The firm carries out educational, employment, address, matrimonial, among other verification checks.

TAKING STOCK:
Rakesh Antala of Crederity

An employment check would cost between ₹500-₹3,000 whereas a matrimonial check involves surveillance and hence starts from ₹10,000 and the drug testing check falls in the range of ₹3,000-₹6,000 per investigation. Essentially, pricing is based on specific needs and elements for each category.

"Our checks are never performed without the permission of the person being verified, despite this we do identify ten percent red cases," cites Baheranwala, Co-Founder at IDfy. It has a baseline fee of ₹2,000 charged to customers for a single verification process. However, pricing is often customized based on volumes.

Clearing ground

As a future strategy, Antala of Crederity is looking to partner with identity data sources including credit bureaus and the Unique Identification Authority of India for identity verification, authentication and Know Your Customer services. This access to identity information, he feels, will pave the way for Crederity to enter verticals like Banking Financial Services and Insurance (BFSI) applications, skip tracing and address tracing

ON YOUR TRAIL

Incorrect tenure of past employment remains the single largest reason for employment-related discrepancies

The highest rate of increase in discrepancies was recorded in the education sector, from 26.67 percent in Q2 FY11 to 33.33 percent in Q3 FY11

Cases of false or illegitimate document submission are highest in northern part of India at 57 percent, while western India has seen the lowest number of such cases

SOURCE: FIRST ADVANTAGE REPORT 2012.

KEEN EYE:
Arvind Mandali of Dcode Research

as well. Also in the works is CQUAL (Centralized Qualifications), a technology product to streamline degree verification and act as a clearing house for student records on behalf of universities. However, Antala did not indicate specific timelines for its release. Over six years on the job, Mandali has had different experiences. Verification is a time-consuming process but clients expect reports to be delivered very quickly, posing a challenge for the firm. Mandali is trying to solve this challenge by giving in reports in the shortest time possible.

"There is immense scope for verification services in India and we use a mix of traditional (manual services) and technologically upgraded systems (internet) for verification. The use of manual processes still continues as India has not routed a completely digital path, but it is in progress," he explains.

Centralize details

Baheranwala and Hariharan have identified the death of résumés as a future trend and have already incorporated this into their model.

They feel résumés will become an unreliable source of information and people will eventually develop their own verified accounts with necessary data for free flow of information to the person seeking it. With this in mind they have developed a cloud-based platform as a consumer product.

"IDfy started out by providing an efficient, technology-led background and credential verification for employers. It is shifting this power to consumers as well," says Karthik Reddy, Managing Partner, Blume Ventures, Investor and Board Member at IDfy. Describing it, Reddy said the platform allows an individual to create unique IDfy accounts that centralize identity details and credentials to further

strengthen credibility and trust. IDfy closely works with social networking sites like LinkedIn and is planning to launch itself on Facebook as well.

It has additional features like testimonials, references and third-party experiences for a well-rounded feel.

Individuals can sign-up for free. However, IDfy charges for verification of specific components as desired by a client. "We attempt to create a dossier of information which is credible, amalgamated and easy to observe," states IDfy's Hariharan.

This means they will essentially integrate human resource departments of companies with the format of IDfy accounts. Optimistic about its success, IDfy is targeting a turnover of ₹1 crore for FY14.

The verification services market, where a number of players are testing the waters, clearly seems to be poised for healthy growth. ▣