



Sapience, a software that measures productivity

InnovizeTech is seeking a global patent for a product that targets banks and insurance firms as consumers.

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Mumbai: After having founded and sold two software services start-ups, Shirish Deodhar and his friends were ready to move on to their next venture. They hadn't decided exactly what it would be, but they were sure of one thing—it would be a product company, not another service-oriented firm. "We were tired of services, which was all about how much you are going to bill me and rising salaries of employees," says 51-year-old Deodhar.

Along with his wife Swati Deodhar and friends Hemant Joshi and Madhukar Bhatia, Deodhar founded InnovizeTech Software Pvt. Ltd in Pune in January 2009.



All of them are experienced software professionals, with around 20 years experience each. Yet they didn't expect two things—that they would develop a product that would require a global patent, and that they would receive angel investor funding within a few months of launch even while their product was in the demo phase. Their product, Sapience, is an enterprise software that measures productivity—or estimates an employee's efforts. It can measure productivity on a project level, team level or employee level.

Estimating effort: Shirish Deodhar is a co-founder of InnovizeTech. Abhinandan Sood / Mint

The software can be installed at company data centres. Smaller firms without a data centre can operate it from a so-called cloud server managed by InnovizeTech.

Its target consumers are software firms, banks, insurance firms and other firms whose employees use computers to deliver their output.

For example, an investment banker working on a deal will use several applications, such as MS Excel to do financial analysis and modelling of companies, and MS PowerPoint and various in-house databases to obtain information and do analysis.

Sapience will be customized to register these applications as work applications, and will calculate how much time the banker spent on them at the end of the day.

This would help his managers know how many hours the investment banker actually spent working, out of the time he was in office. They can also find out if the banker was spending too much time on some aspects of the work.

InnovizeTech has filed a preliminary disclosure with the office of the controller general of patents for a global patent.

In 1988, Deodhar had started the software services firm Frontier Software, which he sold to Veritas Software Corp. in 1999; he continued working with Veritas. In 2003, he left Veritas to launch another software services firm called In-Reality Software, which was bought by Symphony Services Corp. in October 2004.

The idea behind Sapience stemmed from Deodhar's and his friends' experience as employers. "When it's a small team you know what everyone's doing. But when you have 500 people in your time, it's difficult to keep tabs," says Deodhar.

Companies make half their expenditure on employees, but there is no way to measure their productivity, he adds.

Last week, the Indian Angel Network, or IAN, invested \$350,000 (Rs1.64 crore) in InnovizeTech. The term sheet was signed within 12 days of their meeting. "Many companies do manual effort estimation of their employees, but people don't think about automation of effort estimation," says Harish Mehta, member of IAN, who will be joining the board of InnovizeTech.

Deodhar says he did not expect such a response from an investor for a software product company. "We had not approached VCs (venture capital funds) or other investors because they invested in start-ups that have bagged some clients." But VCs and angel investors appear to be keenly observing the software products space. IAN had earlier invested in **Druva Software**, the maker of proprietary backup software solutions for laptops, which later raised money from **Sequoia Capital India**.

Deodhar says that while software services can at best double the returns on investment, a software product firm can return anywhere between four and eight times the investment. Harshal Shah, chief executive of Reliance Technology Ventures Ltd, the venture capital arm of **Reliance—Anil Dhirubhai Ambani Group**, says Indian IT software start-ups are slowly moving from being services-based to product-based. "Many of them have come up because they were started by entrepreneurs who were in services before and understood the need of the customer." But, he adds, it is important for such companies not to rely on one product, but have a road map for developing more products. "The investment that the VC will make is in the company and not just a product."

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