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Construction Gets Computed

By Shonali Advani

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After working for a design consultancy firm in Florida, Bengaluru-bred mechanical engineer Balaji Sreenivasan co-founded Aurigo in the U.S. along with friend Deepak Pulipati in 2003 as a company in the mobile middleware space.

Later that year, the firm was approached by another startup to license an entire stack for its construction vertical. The company, which worked with civil engineers on public works systems, did not have any product but a whole lot of documentation to put work flow together. "We found our platform and their construction vertical was a perfect fit," says Sreenivasan, Founder and CEO, Aurigo Software Technologies.

Sreenivasan jumped at the opportunity, acquired the startup, merged its construction expertise with his technology platform, and re-launched Aurigo's product for the construction vertical, in the process making it a niche player in the almost trillion-dollar global industry.

Thereafter the Aurigo entrepreneurs researched various vertical drivers ready for mobile software, and ultimately narrowed it down to industries with least technology adoption. "Construction and infrastructure were potential spaces for us to work on, according to our research," he explains.

This was in the U.S. After the entrepreneurs shopped for funds to close the buy-out, they entered Phase II, which meant looking for survival tactics. A low-cost R&D center was set up in 2003-'04 in India. Moreover, since infrastructure has been the second largest economy driver in India after agriculture, this meant money. According to Sreenivasan, despite being one of the oldest industries in the world, the methods and tools used in India are still archaic.

"While design has evolved nicely for architects and designers, the software needed to be managed. Execution is also a big problem," he states. Once a project is designed, the execution is still managed with inch tapes, calculators, clipboards and spreadsheets, he says. Aurigo has broken this phase, from design to ribbon-cutting, into different sub-phases with his product suite Aurigo BRIX. Broadly, they cover cost estimation, facility management and inspection. The product integrates multiple applications including program and project management, scheduling and facility management applications on one enterprise platform.

"Aurigo can manage the entire supply chain of partners throughout the lifecycle process of a project on just one collaborative platform," claims Sreenivasan. Aurigo BRIX can estimate the cost of a project and even compute historic data. With the competition getting global, bidding amounts are no longer small, hence there is a need for a product like this, feels Sreenivasan.

"Estimation and bidding are extremely critical in today's world. you

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can't go with primitive tools," he says. "Projects come with a fixed price; if not completed in time, people end up making no money and that's where we come in to help."

In a study conducted by NICMAR (National Institute of Construction Management and Research) for Aurigo, it was found that every project initiated by the government of India between the years 1992-2009, had a cost overrun of 17-18 percent and on an average took 20 months longer to complete. "Our applications bring down the cost of project completion by six percent; while the time taken is reduced by around 17 percent," emphasizes a confident Sreenivasan.

Interestingly, the technology startup has solutions for any stakeholder in a project. So whether it's the actual builder executing a project, or the owner (could be a hotel, a software company or even power plant), Aurigo has tools for both sides. "When people bid for a project, the owner needs a base reference price to compare it with," explains Sreenivasan. Similarly, once work on a project is initiated, Aurigo's software applications allow for real time collection and transactions of data through its system that is also integrated with GPS and GPRS.

"Digitized data is captured on site and the supervisor knows exactly what's happening and can approve sanctions accordingly," he says. With one person on the field, this system has enabled a finance manager at another remote location without him knowing it, according to the entrepreneur.

Once completed, the asset needs to be maintained through its lifetime, which requires a certain level of quality and this too is possible with Aurigo's product stack. The firm's product suite, BRIX, has about nine different products, each one catering to a phase of construction. Typically, clients take six products and above from the stack and they can be configured to suit individual customers.

Today, the company has clients across North America, Canada, Middle East, Africa, India, Singapore and Malaysia. Unlike many entrepreneurs who are usually oblivious of competitors, Sreenivasan has been well-aware of that fact that Aurigo doesn't stand alone. A lot of small ecosystem applications provided by vendors like SAP, Oracle and Microsoft exist abundantly for ERP (Enterprise Resource Planning), scheduling software, document management software and project management. The firm has been very careful not to tread on these vendors, instead duct-tailed into these applications.

"ERP automates four M's of business processes—men, material, machine and money. It doesn't automate estimation and contract management," he explains. "Our product is complimentary and we have built connectors to MS and SAP platforms."

Aurigo in fact has a go-to market strategy with these vendors, selling its products worldwide together. It makes sure it doesn't tread on them. After reviewing many ERP systems like Oracle, Delhi-based RDS Project Ltd. finalized on Aurigo because they had a construction industry specific module which was easily integrated with the Microsoft AX product.

"Although Aurigo is a startup, we felt comfortable with their implementation, team's commitment, flexibility to our needs, and the hand-holding that they promised during the implementation of ERP in our organization," says Mayank Goyal, Director, RDS Project Ltd. They are currently deploying it at a pilot project in Maharashtra. "BRIX is a fairly user-friendly software which covers most of the aspects from a general construction company's perspective," adds Goyal.

While in India and the U.S. Aurigo follows a direct sales strategy, in Singapore and the Middle East it is still experimenting with channel sales. It currently earns through a conventional revenue model, a charge for entire software plus an annual maintenance fee. Alongside, it is experimenting with software as a service model, where the firm can earn on a per user, per month basis. This is meant primarily for smaller businesses with less access to capital, and Aurigo is currently testing it.

Looking ahead, Sreenivasan is aiming for 100 customers in the next two years and is expanding his sales and marketing team in India. Aurigo will also set up a helpdesk based out of Bengaluru for all its customers worldwide. He anticipates a lot of traction from power and ports sectors and is confident of the boom in India. "We are ahead of the game and confident of our abilities," he signs off.

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Aurigo, Balaji Sreenivasan, construction, Deepak Pulipati, middleware, mobile

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