

If security concerns not addressed, on-demand service startups could spell disaster for firms

By ET Bureau | 6 Aug, 2015, 04.00AM IST

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MUMBAI/BENGALURU: Rema Menon, a housewife in suburban Mumbai, is used to personally training three to four helpers to ensure her Juhu beach apartment is spick and span. However, when she recently hired last-minute professional help a day before a dinner party through a mobile application to have her sofa cushions cleaned, she found a great difference in terms of quality.

"There's potential for these on demand services to pick up--they're convenient, time-saving, and topnotch in terms of quality. But one can never really tell how safe it is to have unknown servicemen come in," said Menon. "As long as these on-demand [home services](#) can guarantee safety, consumers wouldn't mind."

Home services platforms operate on [marketplace models](#) where professionals of all stripes are invited to enter customers' homes. If [security](#) and verification issues aren't adequately addressed, this could represent a disaster waiting to happen.

[LocalOye](#), backed by Tiger Global and Lightspeed, tests professional partners on 45 parameters and verifies them on the Aadhaar database before signing them up. Similarly, Bengaluru-based Qyk judges vendors on their portfolio and client feedback, which it grades on an internal quality system. Housejoy, backed by Matrix Partners, puts potential providers through a two- to three-hour assessment process at its centre, where they are graded on the quality of the work they do.

"A very important thing is quality," said Aditya Rao, LocalOye's founder and CEO. "When it comes to service, the human element is involved."

Meanwhile, several on-demand service startups in this space outsource this time-consuming, human-intensive process to third-party agencies such as IDfy and InstaVeritas. According to IDfy CEO Ashok Hariharan, by efficiently making use of technology to automate manual interventions such as checking court records, the time taken is cut down by 70%.

"The foundation of any verification check is to establish the authenticity of the identity card. Almost 25-30% of identity cards are fake in India," said Nikhil Mulchandani, founder of InstaVeritas, whose clients include Zimber, Mr. [Homecare](#), and Urbanclap. After identity, the next step involves a current and a permanent address check, since most migrant workers shift locations frequently. This is followed by a court record check, which involves filtering through the database of district courts, high courts and the Supreme Court.



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Better Safe than Sorry

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SECURITY CHECK

- Assessment and testing centres using quality parameters
- Aadhaar authentication
- Court record check
- Address verification

25-30% Identity cards in India that are fake

15-18% Rate of discrepancy in the verification of blue collar workers

SIDDHARTH

However, these aren't entirely foolproof.

"In India, the ability to perform thorough background checks on individuals is always a concern because we don't have centralized databases especially for criminal records," said Vikram Shroff, head of HR Laws at Nishith Desai Associates. "Even if you conduct a background check, it doesn't mean that the risks are eliminated."

Both IDfy and InstaVeritas have come across serious cases, such as attempt to murder. "The rate of discrepancy is 15-18% when it comes to the verification of blue collar workers. This is inclusive of court record cases, identity checks and address proof," says Mulchandani. To go back to what Menon said, beyond competence, safety is the critical issue that all such services will need to ensure. Ask Uber.