

case 1-429-253
August 27, 2012

Aparajitha: Developing a Thinking Organization

“Profits are not the result of risk, but of superior skill in taking risk.” So reads the sign sitting behind the desk of Bharath Krishna Sankar, the founder and Chairman of Aparajitha. Aparajitha was formed in Madurai, India in 2000, within a decade of the economic liberalization in India. At the time, starting a company or being an entrepreneur was not a respected career in India. Starting a company was indeed a risk. However, this company found its way into a niche market that it dominates within India: labor law compliance. As the Indian economy has grown, the challenges for companies in complying with labor laws on a national and state level have also grown. Aparajitha’s timing could not have been better. Beginning with one client – the parent company of what was to become Aparajitha – Aparajitha has gradually accumulated a list of clients that is a veritable who’s who of India business and, more recently, global businesses.

Aparajitha’s position as one of the few labor compliance companies in India, coupled with India’s growth over the past ten years has put Aparajitha in an enviable position. However, the story may be just beginning. Recently, some Aparajitha customers have been pushing Aparajitha to open offices in other countries in the region. Bharath is hesitant. In addition to less certainty about market conditions in these countries, Bharath wants to ensure that his company is prepared to handle the expansion internally. Further, as the Indian economy grows, he expects more organized competition to vie for the market. To stay ahead of any potential competitors and prepare for any further growth, Bharath wants to focus on his internal processes to ensure they encourage proactive, nimble and customer-oriented thinking and activity. So there are two questions Bharath must answer:

1. Should Aparajitha expand, and
2. How should Aparajitha be structured, and what processes need to be in place to best achieve its goals if the company does expand?

Aparajitha: Developing the Idea

Bharath received certification from the Chartered Accountants of India Institute in 1988 and, in 1990, started consulting for TVS and Sons. Founded in 1911, TVS Group – the holding company for TVS and Sons -- is a major manufacturer and distributor of automobile components. One hundred years after its founding,



Published by GloboLens, a division of The William Davidson Institute at The University of Michigan.

©2012 Paul Clyde and Bharath Krishna Sankar. This case was written by Paul Clyde, Adjunct Professor of Business Economics, Academic Director of the Part-time MBA Program at the Ross School of Business, and Research Fellow at WDI; and Bharath Krishna Sankar, Chairman and Managing Director of Aparajitha Corporate Services.