



Ravi Subramanyam | iBot

INDIAN CUSTOMERS MORE MATURE THAN US ONES

When Ravi Subramanyam started iBot in early 2012, the word IoT (internet of things) was just jargon. Subramanyam spotted the opportunity early. He thought this would be new technology for old-age manufacturing. In just two years, iBot had an early-mover advantage in connecting all the machines in a factory to the cloud and helping companies know how products were performing once shipped to the end customers. It has customers in India and North & South America, and is making profits.

Subramanyam: "It may be a strange thing to say, but Indian customers are way more mature than those in the US. I meet a lot of manufacturing companies here who have been around for 50 years

and who want to transform. The adoption cycles are longer in the US. If you go to a customer in India and say we have a full stack solution, that all you need to do is plug and get connected, they listen. In the US, they like to fragment the whole process. Investors are a major challenge in our business. Our customers are more mature than our investors. We don't need to explain a lot to the customers. Investors would have invested in software or IT companies, and IoT is a very new animal for them. So they think 'why do you need a device?' It then becomes necessary to either have a completely proven balance sheet, which we will have when we close the books on March 2017, or we will raise money from US VCs."

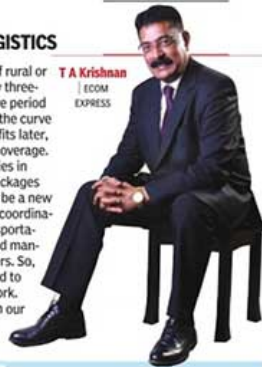
E-COMM HAS CREATED BIG OPPORTUNITY FOR LOGISTICS

Ecom Express was founded in late 2012 as a dedicated third party logistics and delivery company for e-commerce players in India. The company, founded by four former executives of Blue Dart Express - TA Krishnan, Sanjeev Saxena, K Satyanarayana and Manju Dhawan - has raised more than Rs 900 crore from private equity funds. It has more than 30 delivery centres in cities like Delhi, Bengaluru and Mumbai. The industry is growing at 50-60% every year on a fairly large base. Close to 15 lakh products are shipped by Indian e-commerce industry in a day.

Krishnan: "This fiscal year we expect to handle 90 million products. We have full coverage in Haryana, Tamil Nadu, Telangana, Andhra Pradesh and Karnataka. We plan to cover 24 states fully in the next two years. There will

not be any differentiation in terms of rural or urban areas. This festive season saw three-times growth compared to the festive period last year. We are investing ahead of the curve to be future proof. We can make profits later, when we complete the full country coverage. We are able to do 90% of the deliveries in three days. As we go forward, big packages like furniture and white goods could be a new vertical for growth. It needs greater coordination for installation. Inter-state transportation in India is difficult to oversee and manage when working with other partners. So, beginning this year, we have invested to create our own transportation network. Now 80% of our goods move through our network. This makes the operations reliable, secure and time bound."

T A Krishnan | ECOM EXPRESS



INDIAN FIRMS LIKE TO DEAL WITH DESI ROBOTICS

Grey Orange Robotics was founded in 2011 and is one of the rare hardware robotics startups in the country. The company, which has more than 600 employees, has broken even this year. Quite uncharacteristically for a robotic firm, Grey Orange's biggest market is India, contributing almost 50% of sales. The company makes robots for warehouses. It has raised around Rs 250 crore in venture funding. Founders Samay Kohli and Akash Gupta, both in their twenties, have been representing India at various robotics events across the world and winning prizes for a decade. Kohli: "We could not find companies to work for in India, and building hardware was the only thing we knew. So we became entrepreneurs. Unexpectedly, we found Indian enterprises to be

happier dealing with an Indian robotics company since service and bug fixes were painful when their vendors were overseas. They had more control over what they were getting. Today, Japan is our second biggest market and we were surprised to see that they respected an Indian company and recognized our software prowess. It is tough to get suppliers for a small company in India, and there are export/import formalities that we need to go through. The entrepreneur ecosystem in India was tough in 2011, but it has become easier in the past few years. We are expanding our product portfolio and is often pushed by our customers to introduce new robots. We are growing fast. In another five years, we don't expect a single market to contribute more than 20% of our topline."



Akash Gupta & Samay Kohli | GREY ORANGE ROBOTICS

THESE BACK-END FOLKS MAY STEAL THE SHOW

During the California gold rush, those who made money consistently were the ones who produced & supplied gold digging machines. Something similar is happening now. As technology refashions consumer-facing ventures, those providing products & solutions to these ventures are hiring more and attracting investors. India's expertise in software is helping many get global customers too. With the help of Microsoft Accelerator and software products association iSpirt, Anand J & Shalina Pillai have put together some of India's best business-to-business startups, excluding well-known ones like InMobi and Freshdesk

WITH A US COMPANY, YOU CAN CLOSE A DEAL ON THE PHONE

When Vinod Muthukrishnan founded cloud-based customer engagement management company CloudCherry in 2014, he was clear the path to sustainable growth was profitability. The belief paid off. The company operates as an omni-channel network where brands can communicate with customers and get real-time analytics. By the end of 2015, CloudCherry started looking at non-Indian companies, and now it works with over 100 small and medium businesses, almost half of which are in Singapore, North America, and the Middle East. Muthukrishnan is now moving permanently to San Francisco to take care of CloudCherry's US operations.

Muthukrishnan: "For a B2B company, the challenges have always been different. There are regulatory problems. India is a very large consumer market but not a large enterprise market. So we see around 50% of global enterprise sales still happening in North



Prem Viswanath, Vinod Muthukrishnan & Vijay Lakshmanan | CLOUDCHERRY

America. If you build a startup for India, you won't have enough market to build a very large organization. With a US company, you can close a deal on the phone; the same will require several meetings in India. People are also honest; if they don't have the budget, you will know with one or two calls. In India it takes much longer. Now, with the Asia enterprise sales story set, CloudCherry is going to focus on North America."

JAPAN WANTS ALTERNATIVES TO US PRODUCTS



Vijender Yadav | ACCOPS

Vijender Yadav and Mohan Bhat have built a security product that helps businesses deliver their business applications securely to their end users. The Pune-based Accops works with over 350 enterprises, out of which over 100 come from Japan, Central Europe, and UAE. Accops, founded in 2012, has been cash positive and has so far not raised external funding. It is now trying to build a bigger base in the UK.

Yadav: "India isn't a significant market, so we have to go global. When we started we had to prove to Indian consumers that our product was better than what they were then using. So large enterprises were a big challenge. We were never keen on getting VC funds. That helped, because companies that have taken external funding are pressed to show numbers. Companies abroad have been pretty receptive. Markets like Japan are always trying to look for alternatives to US products. We will start raising funds in the next six months, and slowly enter the US market."

WE HAD A FIRST-MOVER ADVANTAGE

Paladion was one of the early ventures in the cybersecurity domain in India. Founded in 2001 by a team of eight college friends, the company could not reach even \$1 million in annual revenue in its first five years. Now, the company has annual sales of Rs 200 crore. Its major clients are financial services and healthcare firms, and IT services companies. It generates one-third of its revenues from India, another third from the US, and the rest from the Middle East and South East Asia. It has been profitable for a decade.

Mohanty: "We grew slowly in the early years, but we were sure the space would expand and we would have a first mover advantage. Everybody who came later wanted to take business away from us and we have had to prove we are better and different to keep our first-mover advantage. Our large team of founders helped, because different founders managed different geographies and other organizational roles. A large team could have hampered decision-making, but we have pulled through rather well. With all transactions becoming digital, we see huge potential for growth."



Rajat Mohanty | PALADION