

## **Finlatics Investment Banking Experience Program - Project 1**

1). A very practical and high Probability success profile-idea combination could be **A** (Engineer with an MBA degree, with prior work experience in IT) and **B** (Zomato like street food delivery application). The profile of Arjun is directly linked to building and maintaining the core operations of the Application. There are so many Tech startups in India with their founders being engineers who have been successful (ex: OLA, Flipkart, Quikr, etc..).

### **Building a core Technology Team:**

We cannot implement and scale up an idea without a passionate Technology team, So as Arjun already had experience working in IT Field it will be comfortable for him to recruit a highly talented tech team from top engineering Colleges. It would be easy for Arjun to guide the tech team to optimize and develop new features in the application, and also the tech team would also be giving various new ideas for Arjun for developing the App. There will be very good coordination between Arjun and the Development team which will result in a good App.

### **Building a strong Management Team:**

Building a Management team is as important as building a tech team for any startup. As Arjun did his **MBA degree** he would be recruiting persons with necessary skills such as planning, organizing, leading, and controlling. The management team will be very essential for Arjun for taking strategic decisions such as the expansion of the company and collaborations etc. As Arjun is a tech guy with an MBA degree he will be bridging the gap between the tech team and management team for the overall development of the company. This way the above profile-idea combination mentioned would be a perfect match.

### **Facing the Challenges:**

There are challenges such as onboarding more and more street food vendors and hiring delivery executives. In the initial stage of the startup, Arjun should recruit a team to pitch the idea with the vendors to collaborate with the App for good to the business. Arjun makes sure the team reaches out to the corners of Mumbai city to expand its presence in the city. As more and more vendors want to join the business tech team will build the back office for vendors to join directly online. This way Arjun makes use of his management skills to face challenges.

To hire more delivery executives for good service and simultaneously keeping the costs low, Arjun adds few minimal delivery charges for the customers in the initial stage of business, as was the case with zomato and other delivery-based companies in their initial stage of business.

### **Challenges facing very Competitive Market and the edge for tackling it:**

For Arjun to tackle the competitive market and attract a massive crowd he and his team should strategically face it. Even though Arjun's startup is mainly focused on delivering safe and hygienic **street foods**, the competitors for Arjun will be Zomato, Swiggy, etc which are giant. Firstly for a

customer, the user interface of the application will be his first impression so Arjun will be focused on developing the best possible UI for his customers. Then Arjun will focus on his niche of customers Who are street food lovers who are mainly students, job going employees, children, etc. As Arjun is more of a tech guy he knew how to target his niche customers through the internet and also through sponsoring big events in Mumbai.

Arjun tries to build his brand on street food only, to do so Arjun would collaborate with top brands of street food vendors in Mumbai to provide the best quality food for his customers. Through the feedback given by the customer regarding quality, price, delivery time, restaurants, etc Arjun will be analyzing the suitable price range, best food item, best restaurant, etc which is very helpful for the company to optimize its services. Arjun is an entrepreneur who is very passionate about his work and clarity in his business idea will face the Stumbling Blocks and finds a way out with his experience. The edge Arjun has is that he is extremely passionate about his business.

### **A Similar Story:**

One of those examples is Deepinder Goyal Founder and CEO of Zomato. He is a Btech graduate from IIT Delhi after which he worked as a management consultant at **Bain & Company** in New Delhi. While working at this company, he saw at that time that there was a great demand for menu cards among his colleagues. That's where the idea of Zomato came from. Soon he started his entrepreneurial journey by leaving his job at *Bain & Company* and by starting his own food startup Foodiebay in 2008, later renamed as Zomato in 2010. By observing problems around our surroundings clearly and tackling them most cleverly leads to startups like zomato. These examples will be great motivation for Arjun to achieve great success in the future.

### **Conclusion:**

All in all, I believe Arjun's experience and his professionalistic approach to the business, mainly his passion for his idea will come on top despite tackling the most competitive market. With a team that is ready to jump roles when necessary and Arjun's fair knowledge of the business will lead to the successful and sustainable development of the company.

2). For scaling up, organizing, and popularizing the company among customers and other big investors, private equity plays a main role not only financially but through its stamp of quality, through its network-driven system, and mainly through its advisory benefits to the company. I believe Arjun will be mainly focused on Advisory and network-driven benefits of private equity Which are crucial for the expansion of the company apart from financial benefits.

As Arjun's company is at the initial stage only operative in Mumbai to expand it to different cities in India, Apart from Financial support private equity investors bring their network-driven power with them to help the company expand its operation smoothly (for example PE investors may have few big restaurants in their portfolio, so that the collaboration with Arjun's company will be smooth). Having an investor, who is also a mentor with certain experience in the same industry

can help Arjun scale up his startup. A mentor can help him navigate the turbulent waters of the tech startup with hard knowledge.

After the company's expansion, dealing with the huge network of delivery executives and huge networks of street food vendors it would be difficult for Arjun and his team, so in this case The investor will be guiding Arjun through their experience working with huge companies in a similar environment as Arjun's. In this way, the Investor will be giving the advisory benefits to the overall development of the company.

Seeking advice is central to effective decision making and for a fresh startup, it is essential for shaping the present and the future of the company. A combination of Arjun's experience and Investor support in many ways can act as a binding force for a flourishing startup and help Arjun expedite his journey to success.

Hence the optimum PE investor for Arjun would be one with a great network of companies in his portfolio and one who can act as a mentor in the success journey of Arjun's company. Along with the hard work of Arjun and his team, it is also very important for the company to get picked by good PE funds to achieve great things in the future.