

Finlatics Investment Banking Experience Program – Project 1

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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 C (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 start-ups in India with their founders being engineers who have been successful, for e.g.: OLA, Flipkart, Zomato.

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 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 start-up. As Arjun had completed his **MBA**, 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, he will be bridging the gap between the tech team and the management team leading to great results.

Facing the Challenges:

There are various challenges for executing this plan such as onboarding more and more street food vendors and hiring delivery executives. In the initial stage of the start-up, Arjun should recruit a team to pitch the idea with the vendors to collaborate with the App for good business. Arjun should make sure the team reaches out to the corners of Mumbai city and brings more and more vendors along with the app to join the business and sell their products directly online.

To hire more delivery executives for good service and simultaneously keeping the costs low, Arjun should add few minimal delivery charges in the initial stage of business or provide incentives such as cashback and offers on purchases, as was the case with Zomato.

Challenges faced due to very Competitive market:

For Arjun to tackle the competitive market and attract a massive crowd, he and his team should strategically face it. Even though Arjun's start-up is mainly focused on delivering safe and hygienic **street foods**, the competitors for Arjun will be giant food delivery-based companies, like Swiggy, Zomato.

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, regular employees, children. As Arjun is more of a tech guy, he knows how to target his niche customers through the internet, Data analysis and management helps him in advertisement and sponsoring events in Mumbai.

Arjun tries to build his brand on street food only, to do so Arjun should collaborate with top brands of street food vendors in Mumbai, while providing recognition to other vendors 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 analysing the suitable price range, best

restaurants and cuisines which is very helpful for the company to optimize its services.

A Similar Story:

One of the examples is Deepinder Goyal, founder and CEO of Zomato. He is a B.Tech. 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 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 starting his own food start-up Foodiebay in 2008, later renamed to one of the most successful food delivery company, Zomato in 2010.

Funding type

Unlike loans, private equity offers more than just capital to firms, It is a clear value addition to the company through several other variables such as stamp of quality, network driven benefits and advisory benefits. Given the chosen profile-idea combination, I believe Arjun's primary focus should be on advisory benefits.