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Finlatics Investment Banking Program Project – 1

- An optimal and the most effective profile-idea combination for me would be A (He is an Engineer with an MBA degree, and has previous experience of working in Information Technology) and C (Arjun has built an international transfer remittance system that reduces the cost and time to make an international transfer. A breakthrough software, Arjun's product needs to go over a lot of compliance requirements in order to be launched commercially. Along with compliance, Arjun has to ensure safety and security of the software as it would be dealing with payments).

- Reason:

The main reason for going with this profile-idea combination is that they perfectly sync with each other in real world scenarios. Arjun knows the fundamentals of engineering and has the experience of working in Information Technology, which indicates he is technically sound. Arjun has also done MBA which infers that he has good knowledge of Trade, Finance and Economics.

- Advantages:

- If something goes wrong in his Software System, whether technically or financially, Arjun can personally inspect, check and analyse or consult someone without relying heavily on the person.
- Since Arjun has the knowledge of both the worlds, it would be very difficult for any person to bluff him related to his business, thus preventing him to follow any wrong direction.
- Unlike a Chartered Accountant or an Economics or Commerce Graduate, who has to learn the techno-aspects from the scratch, Arjun just has to keep himself updated with the latest technologies or the improvements going on currently.

- Similar Story:

We all know about Mr. Ashneer Grover, who was featuring as one of the sharks on the recently-popular TV show '*Shark Tank India*'.

Mr. Ashneer is an Engineering graduate from Indian Institute of Technology-Delhi, as well as MBA graduate from Indian Institute of Management-Ahmedabad.

He first served as the Vice President of Kotak Investment Banking. During this period, he got a deep understanding about the financial working (like funding, seeding, expense management) of Startups as well as Investment Banking. This knowledge helped him in co-founding and building two very famous startups, Grofers (now Blinkit) and BharatPe. His second famous startup 'BharatPe' is a full-stack fintech service app for merchants across small and medium businesses, offering loans, investments, insurance and other financial services.

The above profile-idea combination of Arjun's resonates perfectly to that of Mr. Ashneer's. Arjun is an engineer with relevant IT experience and an MBA degree just gives him the perfect edge and confidence over others to go ahead with his Software System.

- Benefits to be Emphasized:

In my view, Arjun should emphasize the most on two benefits equally – Network Driven benefits and Advisory benefits. The other two benefits namely Stamp of Quality and Financial Benefits can be given less emphasis because Arjun's product is still in the process of ideation and has not entered the Commercial market yet.

- Network Driven Benefits:

Suppose Arjun gets the funding from the Venture Capital and/or Private Equity Firms, then he will be exposed to a very large network of ecosystem(s) which these Firms are a part of. In this way, Arjun can access the services or take help of a host of other Firms or Startups which are/were on the same position as that of Arjun's firm. For example, Arjun can take help of those firms which are experts in ensuring compliance, or he can access the services of Cyber Security firms which are experts in ensuring security and safety of transactions, especially those involving Finance and Banking.

These ecosystem(s) can be very pivotal to Arjun's firm, leading to an Overall Growth and Development.

- Advisory Benefits:

Arjun should focus on getting investments from Sector Specific Investors, Venture Capitals and/or Private Equity Firms. In this case, he should look out for the Fin-Tech sector. There are two advantages for this. First, the Advisory function of the PE Investors

takes the front-seat as the Core Advisory thus, sharing their domain-specific knowledge and past experiences leading to guide Arjun from selecting a core team to making future decisions in a more Analytical and Calculative way. Secondly, since the advisories have already a portfolio of similar Firms, they may also have a network and contacts (as discussed above) to guide, teach and help Arjun about Compliances, Safety and Security procedures which Arjun has to follow thus reducing the burden on him and his firm to a large extent.

- Conclusion:

Arjun is self-sufficient as a founder going by his education. He also owns a product having Good Market appeal. All he needs is a proper Core Team, Funds and a Good Advisory to guide him and enhance his Business. If he utilizes each of these perfectly, then his product will be highly successful in the market.