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Tweet OF THE DAY



WESLEY CHAN
@weschan

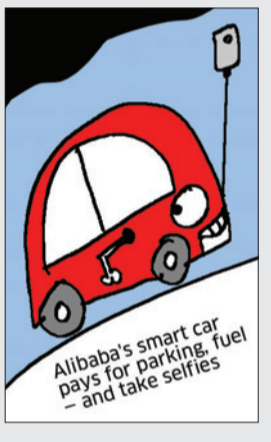
The Pokemon servers are crashing in Australia. Am outside getting lunch and see so many sad teens freaking out.

Tech Buzz
No More Angry Birds for Windows



Before the Pokemon Go craze, it was all about Angry Birds on smartphones. Rovio, the maker of the Angry Birds games, has sent to mail to some customers saying that they will no longer support Windows Phones or PCs. The company will still be developing the game for Android and iOS devices.

Quick Byte ANIRBAN BORA



Alibaba's smart car pays for parking, fuel — and take selfies

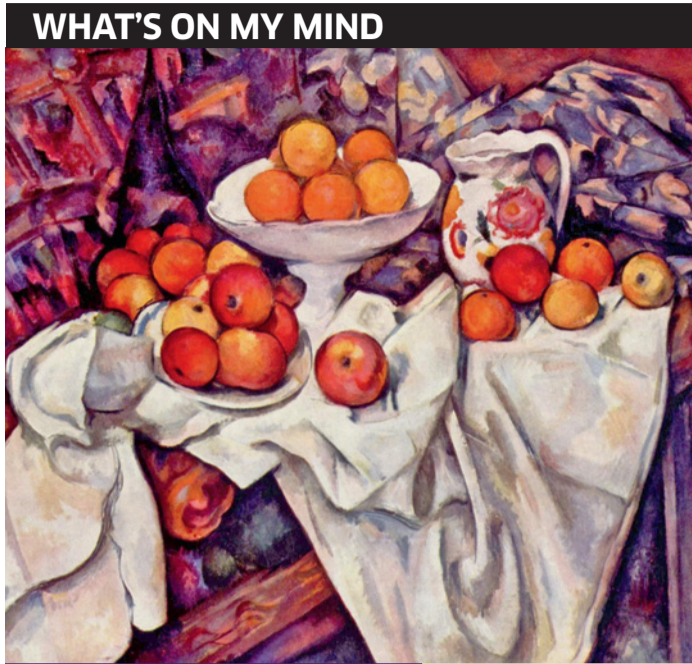
110 million
Redmi phones sold globally since Aug 2013, according to Xiaomi VP Hugo Barra

FB says 47% of Mobile Gamers are Women

Smartphones are the most used gaming device for people globally — and across 12 countries, 47% of all smartphone players are now women, a Facebook study has revealed. Facebook's data analysis team Facebook IQ commissioned market research company TNS to survey people aged 18-plus spanning 12 countries representing North America, Latin America, Europe, the Middle-East and Asia on their use of mobile as a gaming device. The survey found that on average, smartphones are the top gaming device for users, at 71%. — IANS

Jargon Buster
Netwar
A low-intensity emerging mode of conflict, crime or activism on the internet organised by netizens like criminal organisations, transnational terrorists and others is called a netwar.

Growth can Wait, Profit Tops Grofers' List this Yr



WHAT'S ON MY MIND

Grofers wants to break-even by the end of this year	93% - of Delivery process is fully automated	Before we go after growth, we need to figure out what is making money for us, where we can see growth and where we cannot
5% - Organic growth every month that co aims to achieve	₹1,000 - Co's average order size now	ALBINDER DHINDSA, CEO, Grofers
200 - People co had to lay off recently	20,000-30,000 - Orders a day co expects now	

Aditi Shrivastava & Madhav Chanchani

Bengaluru: Delivery firm Grofers declared it is sacrificing growth for profitability, the latest startup to use this year as a pit stop for repairs caused during a relentless pursuit of customers.

After a year of rapid growth, the heavily funded startup is aiming to achieve operational break-even by the end of this year, CEO Albinder Dhindsa said in an interview. In that time, the Gurgaon-based company will focus on fixing its business fundamentals and grow organically at 5% every month, he said.

"Before we go after growth again, we need to figure out what is making money for us, where we can see growth and where we cannot," said Dhindsa. "We are fixing things like brand monetisation, building tools for our sellers to monitor performance, and improving our delivery utilisation."

The decision to focus on business fundamentals comes amid a sectoral slowdown that forced rival PepperTap to shutter its grocery business two months ago and Grofers to lay off about 200 people recently.

Dhindsa said Grofers had to let these employees go because of technology efficiencies kicking in as well as a drop in orders.

About 93% of the delivery process at Grofers has been fully automated, Dhindsa said.

"Our delivery capacity is the same as in November but with one-

third the number of people... When a technology leap happens, it makes a huge bunch of people redundant very quickly. That happened to us in order processing."

Also, while Grofers had hired a big enough team to handle 60,000-70,000 orders a day, it now expects an average 20,000-30,000 orders a day.

"The number of orders don't jump to that level (60,000-70,000) unless we do heavy discounting or marketing," Dhindsa said. "But it's tough on the employees and the team because we have never had to lay off employees."

Dhindsa is optimistic about the hyper-local delivery business model, pointing out that Grofers' average order size has increased to above ₹1,000 from about ₹600 six months ago.

"Our (gross merchandise value, or gross sales) hasn't dropped, (although) our number of orders have come down. But costs have come down dramatically," Dhindsa said, adding that about 16% of the company's consumers now pay a delivery fee.

In November, Grofers, founded by IIT graduates Dhindsa and Saurabh Kumar, raised \$120 million (₹800 crore) in funding led by Japan's SoftBank.

Quess what, this Isaac's Fortune Defies Gravity



Man of the Hour

- 26.4%** Ajit Isaac's post-IPO at Quess
- 1,700 cr** Stake value
- Isaac joined Quess (Ikya Global, then) in 2009 as a promoter
- IN 2004**
- Swiss staffing firm Adecco bought out his previous venture PeopleOne Consulting
- The deal delivered promoter JP Morgan a return of five times in four years
- While Isaac bought Quess shares at ₹2.74 apiece in 2009, Prem Watsa acquired them at ₹32.52 each

ET PROFILE

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Bengaluru: Tuesday's blockbuster listing of business services provider Quess Corp places Ajit Isaac, the 49-year old chairman, in the pantheon of Bengaluru's business stars. His 26.4% post-IPO stake in the firm translates to a value of nearly ₹1,700 crore. "Investors have had the highest listing gain in nine years," Isaac told ET after the stock rallied about 60% on debut.

When Isaac joined Quess (Ikya Global, then) in 2009, as a promoter, the team at the 18-month old company got a leader who had by then established a reputation for building formidable businesses in the human resources space.

Swiss staffing firm Adecco bought out his previous venture PeopleOne Consulting in 2004, and the deal delivered promoter JP Morgan a return of five times in four years. The partnership also cemented a lasting relationship between JP Morgan's Gaurav Mathur and Isaac.

The two came together again in Quess until Prem Watsa, the Hyderabad-born Canadian billionaire, acquired a majority stake from India Equity Partners that Mathur headed.

Watsa, known for his value investments, could not have asked for more. The ₹245 crore he invested for a 68% stake in 2013 is today valued at nearly ₹4,000 crore at a post-IPO stake of 62.58%.

While Isaac bought Quess shares at ₹2.74 apiece in 2009, Watsa acquired them at ₹32.52 each through Thomas Cook. The shares closed at ₹502 on the NSE on Tuesday. "Ajit has been involved with building two out of three staffing companies in India," says Gurusadas Srinivasan, President (People & Services) at Quess.

Isaac, who has an under-graduate degree in commerce, was a gold medalist in his post-graduate programme at the Madras School of Social Work. He is also a British Chevening Scholar from the University of Leeds.

A first-generation entrepreneur, he began his career as a management trainee at Godrej & Boyce before a six-year stint under the Ruiaas at Essar Group. From being an out and out HR man to promoter of a disparate businesses ranging from managing payrolls to erecting telecom towers to running an IT firm, Isaac's range has been vast.

But even as he bought out com-

panies at a blistering pace — 10 in seven years — he shudders at the thought of raising a loan.

"My father never carried a loan in life. Every time I met him, he would inquire not about whether we are profitable, but if we have any debts," says Isaac, referring to his father AA Ithapiri, 86, who was an employee at tyre-maker Dunlop in Chennai. "That is one motivation to stay free of any term debt apart from the fact that you also sleep a bit easier."

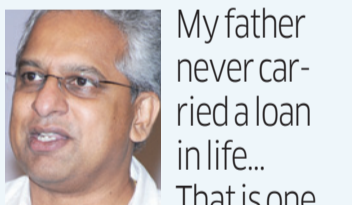
Prashant Ruia, director at Essar Group, said they saw an early entrepreneurial spark in Isaac when he worked for the Group in the 1990s. "Being an entrepreneurial organisation by nature, we encouraged him to go ahead with his dreams. Too happy to see him emerge as a business leader," he said.

Headquartered in Bengaluru, Quess employs about 1.2-lakh staff in 26 cities in India, North America, the Middle East and Southeast Asia.

To Isaac, the outsourcing opportunity seems limitless as companies go about cutting their costs in non-core activities.

"Don't be surprised if you see us managing retail outlets of oil companies or running the non-

DEBT WARY



My father never carried a loan in life... That is one motivation to stay free of any term debt apart from the fact that you also sleep a bit easier

AJIT ISAAC
Chairman, Quess Corp

core function at a metro station in the years to come."

Isaac's success comes from his exceptional abilities, says Mathur, now MD at InVent Capital, a PE fund.

"Ajit combines his deep understanding of business with a strong focus on metrics and numbers. When he sees an opportunity, he does not hesitate," he says.

Isaac still retains his craze for bikes. On weekends he loves going on longrides on his Harley Davidson. "I do cross-country riding twice a month. I have got back to biking after 25 years," he says.

Automation Adds Up for Startups Now in the Personal Finance Space

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Bengaluru: Online trading and investment service providers such as Upstox, Tavaga and Zerodha are driving automation into the personal finance space, guiding users to potential options they can invest in based on their risk portfolio.

These startups are increasingly looking at making investment a seamless process for the end user, mainly millennials and those grappling with learning how to make smart investments.

Upstox, which plans to launch its investment app Upstox Invest in August, has found through surveys and research that 80% of Indians want to save up funds to invest in common goals like marriage plans, child education, self-education, and buying a house or car.

"On the basis of how old the user is, their liabilities, their disposable income, experience in investing, and similar factors, we create a credit risk profile," said Raghu Kumar, co-founder of Upstox. "If you're a conservative investor, the recommended portfolio will suggest to allocate most of your investments towards debt mutual funds since they have a lower risk; however, if you're young and have fewer liabilities, the option to invest in slightly high risk assets may present itself," he said.

An artificial intelligence-based system is used to carry out suggestions to user about which stock they should invest in, whether it's gold,

mutual funds or other stocks, while ultimately the end user has to make the decision. Suggestions are also made to users to rebalance their portfolio when required.

The app is mainly targeting millennials, but Upstox also expects to see traction from individuals of different age groups as it hopes for at least 1,00,000 downloads by the end of 2016. Similarly, app-based investment management platform Tavaga has gamified the process of investing through its goal-based investment app launched three weeks ago, expecting to see a fair amount of traction from millennial users.

"We have six rounds of investment, the investor could start with ₹1 lakh and could come under either a conservative, a moderate or an aggressive investor," said Ravinath Dasiga, founder of Tavaga. "The end user has the option of increasing or lowering their level of risk and choosing amongst different goals, from wanting to watch the cricket world cup to buying a car, and ac-

RAVINATH DASIGA
Founder, Tavaga

We have 6 rounds of investment, investor could start with ₹1 lakh and could come under either a conservative, a moderate or an aggressive investor

cordingly generating an estimate of the money required," said Ravinath Dasiga, founder of Tavaga. Users are offered only exchange-traded fund (ETF)-based investments.

A standard automated process of monthly investments is made for the end user into the particular fund directed towards a specific goal, which is to be achieved within a timeline. Tavaga's java-based Android app, which has got approximately 1,500 downloads so far, has an algorithm running to determine the risk-

iness level of a profile.

"The focus is more on goal management than portfolio management and an emphasis has been placed upon the UI/UX to ensure that it's a consumer app and not a finance app that the layman would find difficult to follow," Dasiga said. Mutual funds investment platform Scripbox's algorithm recommends funds for the user to invest in, ranging from equity to short-term, long-term debt and tax-saving funds. The customers identify their goals within one or more of the funds while making investments.

Zerodha, through its in-house incubator Rainmatter, plans to launch two startups that focus on automating the investment process by providing suggestions to the end user — one focused on managing personal finance, and the other focused on investing in the stock market in a unique manner.

Zerodha-supported startup Smallcase.com enables end users to make thematic investments.

Onto New Avenues

Zerodha's thematic investments lets users check the historical success of these investments over the last three years before taking the final call

Upstox found that 80% of Indians want to save up funds to invest in common goals



MintM's Magnet Attracts Funds from Mumbai Angels and Times Internet

Our Bureau

Bengaluru: Bengaluru-based digital marketing startup MintM, has raised a pre-Series-A funding of undisclosed amount led by Mumbai Angels and Times Internet, with participation from a clutch of angel investors, for its cloud based smart signage solution.

The product 'Magnet' is a cloud-based responsive and analytical platform in brick and mortar shops. The funds will be used for product enhancement and international expansion.

"Any display device can work as 'magnet', it is built on android. If



you have an android device any display can be converted into 'magnet'. It is hardware agnostic," said Sachin Garg, CEO of MintM. 'Magnet' displays relevant content, re-

sponds and tracks expressions and generates statistics. This round follows MintM's step out from TLabs, the startup accelerator. MintM earns in a pay-per-engagement model from advertisers.

"Magnet" has been adopted by outlets like Star Bazaar, Jawed Habib, Spar, HyperCITY, Aviva Insurance, Printo and overseas outlets including Target. "Traditional advertising suffers from a few handicaps — it's consumed far from the point of purchase, it's impossible to do in a highly targeted way and it's hard to measure the impact. MintM beautifully addresses all these shortcomings," said Sundeep Holani, an investor in MintM.

All's Well! Startups See 48 M&A Deals in June Qtr

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Hyderabad: Mergers and acquisitions have picked up significantly in the startup space with 48 deals in the past three months, according to Xeler8, a platform that tracks startup activity in the country. This is in line with the trend towards consolidation among startups.

Whether it is a strategic move to eliminate competition, or to take advantage of the conducive market situation, startups are looking at acquiring other ventures.

Online fashion marketplace Voonik Technologies recently made three acquisitions — Zohraa, a marketplace for designers and boutiques, Styl and Pickslik — that helped it enter the premium ecom-

merce segment. "It wouldn't have been possible to acquire them in some other market," said Sujayath Ali, cofounder of Voonik.

"They were also looking for a chance of M&A because they weren't able to scale up."

While capital is flowing out of the bigger startups into the smaller ones, industry players believe that their money is well spent as they end up acquiring a technology they otherwise would have to work towards. There are others who spend their money to acquire — that is, buyout for the employee skills and expertise — other startups.

Bengaluru-based online gifting platform Giftxoxo recently acquired BookMyInterest, a marketplace for hobbies and leisure activities. Experts in the field say there

are a lot of small deals in the markets, and soon mid-size deals would pick up. "Small deals are a good thing, but there are no mid-size deals at the moment," said Sanat Rao, fellow at iSPIRT M&A Connect programme. "Mergers and acquisitions are higher than what they used to be a few years ago, but we need more mid-size deals, which I think will pick up soon."

InnerChef, a Gurgaon-based food technology startup, has acquired two firms in the same space to expand their presence to other cities. Its cofounder Rajesh Sawhney said it is looking at more acquisitions in the future.

Voonik officials said the company is now looking to acquire from the fields of machine learning and artificial intelligence.

Dealing in Fortunes

40 Deals in first quarter 2016	48 Deals in second quarter 2016
110 Deals in the technology space during 2015	Acquisitions made by startups this year
5 Voonik	3 Craftsvilla, Ginnar Soft
2 Quikr, Housejoy, Farmtaaza, InnerChef, Indus Net, Portea, Freshdesk and AllyGrow	

SOURCE: XELER8