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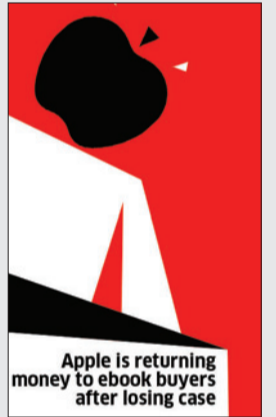
**SANDY CARTER**  
@sandy\_carter  
90% of my returns come from 1 deal but most of my time will go to 148 startups #PreMoney

**Tech Buzz**  
**Nothing Much Changing on Next iPhone**



The next iPhone coming out later this year is going to be like the current iPhones. Apple is moving away from its traditional 2-year upgrade cycle, in which a complete redesign of the handset is released every two years, with more subtle improvements released in a so-called "S" model in the years in between. Apple is preparing a device, set to launch in 2017, that will have bigger changes, as has been rumored. - BI

**Quick Byte** ANIRBAN BORA



**100 million**  
Monthly active user base of music streaming service Spotify

**The Cheapest Kindle Just Got Better**



**Seattle:** Amazon on Wednesday announced a refresh to its entry-level Kindle e-reader. The new device has twice as much memory as its predecessor, which should make it a bit faster in operation. Amazon says its slightly thinner, lighter (5.7 oz versus 6.7 oz), and more rounded, and that it'll be available in white in addition to its usual black. Bluetooth audio support has been added as well. The device retains the previous Kindle's \$80 price tag. -Tech Insider

**Jargon Buster**  
**Native Code**

A native code is the type of programming code that is written for a specific processor. The code does not run if tried on any other processor unless it runs over an emulator

**BENGALURU CALLING** SAP's incubation centre, called Startup Studio, will join global technology giants like Microsoft and Oracle in riding the wave in India's Silicon Valley

# Startuppreneurs! Get Ready to get SAPped

**Shadma Shaikh**  
@timesgroup.com

**Bengaluru:** German software-maker SAP has picked Bengaluru for its first startup incubation centre, joining the likes of Microsoft and Oracle that have established similar programmes in India's main hub for emerging technology businesses.

SAP Startup Studio, to be launched on Thursday, will offer a 12-month accelerator programme under which it will invest financially in startups as well as provide space, access to technology infrastructure, mentoring and business consulting.

"We will initially start with reserving 75 seats for the first 10 startups and then we will leave all options open," Bernd Leukert, member of SAP's executive board, told ET. "Depending on individual outcome, we might become an equity stakeholder, just have a financial engagement or create a strategic partner programme."

Incubator-mentee relationships between global technology giants and early-stage startups are typically symbiotic. While technology giants such as Google and Microsoft stand to gain faster and direct access to cutting-edge innovations, startups get necessary hand-holding, access to advanced

**Starting up Here**

**40+** Total number of accelerators in India  
**1/3rd** of the accelerators are started by MNCs

SAP Startup Studio will provide space, access to tech infrastructure, mentoring and business consulting

Sectors that startups will be chosen from  
IoT, cloud computing, big-data domains and retail and healthcare segments

Startups chosen for first batch  
CloudKare, Blubirch, Niki.ai, Sellerwork, Stratawiz, Ecolibrium Energy, Moglix

**WIN-WIN FOR ALL**  
**Incubator-mentee relationships between global tech giants and early-stage startups are typically symbiotic**

technology, potential global clients and the validation they so covet.

SAP, a global leader in business management software, will select startups in technology and related domains that somewhat complement its product portfolio, Leukert said.

It will primarily scout for startups in the internet of things, cloud computing and big-data domains and the retail and healthcare segments, he said. The company has finalised seven startups for its initial programme—cloud-based healthcare platform CloudKare; reverse logistics service provider Blubirch; conversation commerce chatbot Niki.ai; ecommerce marketplace solution provider Sellerwork; sales performance management platform Stratawiz; energy

management IoT company Ecolibrium Energy; and business-to-business ecommerce provider Moglix. "SAP is the leader in (enterprise resource planning, or ERP) software and... most manufacturing companies we work with use SAP's software," said Rahul Garg, founder of Moglix. "By working closely with SAP we can bring in the benefit of integrated supply-chain in a seamless man-

ner to the customer."

SAP's incubation centre will be housed within a new facility the company is building at its Whitefield campus with seating for 2,500 people. SAP has invested about €50 million (₹380 crore) in the facility; it did not disclose how much it is allocating for the incubation programme.

SAP is not new to startups in India. The company said it has been involved with startups here in a stealth mode for at least two years now. It runs a social entrepreneurship and innovation programme in collaboration with the Centre for Innovation, Incubation and Entrepreneurship (SAP-CIIE) at the Indian Institute of Management, Ahmedabad.

On why companies like SAP and Oracle actively seek to be involved with startups, Mohandas Pai, an angel investor and founder of venture capital firm Aarin Capital, said: "All large corporates have realised that they are facing threat from young disruptive companies."

Large corporates also believe it is in their best interests if startups use their technology, he said, and a good way to ensure this is through such programmes. This also helps young companies get access to technology, finance and mentorship, Pai said.

(With inputs from Vishal Dutta in Ahmedabad)

## We're Right on Time for Action

**ET Q&A** SAP is scouting for a few more domestic

startups to join the initial batch of its first accelerator programme, which it is launching in Bengaluru. SAP Startup Studio will seek to back disruptive ideas and products, especially those that complement SAP's business, the company's global head of products Bernd Leukert and SAP Labs India managing director Dilipkumar Khandelwal told ET's Shadma Shaikh & J Vignesh in an interview. Edited excerpts:

**How is your incubation programme different from SAP Ventures? Will you be acquiring portfolio companies later?**

**Leukert:** SAP Ventures, which started in 1996 and later rebranded itself as Sapphire Ventures in 2014, is a Silicon Valley-based venture capital company that primarily invests in growth-stage enterprise technology companies globally.

SAP Startup Studio is an accelerator that will provide mentoring, infrastructure and technology support to seed- and early-stage startups.

**Is there a fixed corpus for SAP**



**DILIPKUMAR KHANDELWAL**  
MD, SAP Labs India

Our entry into the startup space started two years ago, albeit in stealth mode

**Startup Studio?**

**Leukert:** We are not just focusing on financial assistance through the accelerator programme.

While that's one aspect of it, we provide space, mentoring, collaboration and access to our technical infrastructure and partner ecosystem, all of which is hard to quantify in dollar value.

**What sectors are you looking at? What will be structure of the programme?**

**Khandelwal:** The internet of things, cloud and big data are focus areas. In verticals, we are looking at retail and healthcare. If there are other opportunities that fit into our 25 industry verticals, we are open for conversation.

Startups will be incubated for a period of one year, coupled with a strongly-knit mentorship program that extends beyond their first year.

**Is SAP not late in this market? The startup accelerator boom is at least three years old in India.**

**Khandelwal:** We feel the (Indian) startup ecosystem is now ripe for our accelerator programme, combined with huge interest from early-stage startups wanting to associate with SAP to leverage on our technology expertise and customer base. Our entry into the startup space started two years ago, albeit in stealth mode, when we began ground work on understanding the ecosystem. We also have established a strong alliance with IIM-A.

**What's your selection criteria?**  
**Khandelwal:** We are not just looking for someone

with an idea.

Going slightly beyond that, say 4-5 people working on a prototype should do, or they should have a couple of customers they cater to already. How much is the addressable space for the startup is another parameter.

**Leukert:** It should be to some extent complementary to our portfolio.



**Bernd Leukert**

**InMobi Fined \$9.5 Lakh in US for Violating Privacy Norms**

**Vikas.SN@timesgroup.com**

**Bengaluru:** SoftBank-backed mobile advertising firm InMobi will pay \$950,000 in civil penalties and implement a comprehensive privacy program to settle the federal trade commission (FTC) charges that it deceptively tracked locations of "hundreds of millions of consumers - including children - without their knowledge or consent" to serve geo-targeted advertising.

FTC in a statement noted that under the actual terms of the settlement, InMobi is subject to a \$4 million penalty, but the agency suspended the fine to \$950,000 based on the company's financial condition.

FTC alleged that InMobi was tracking consumers' locations whether or not the apps using the company's solution asked for consumers' permission to do so and even when consumers denied permission to access their location information.

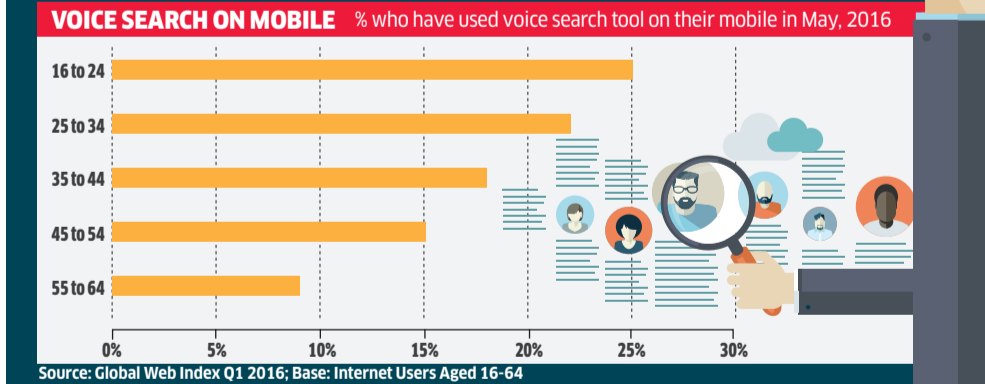
InMobi has now been directed the location information of consumers it collected without their consent, including all information it has collected from children and will be prohibited from further violations of Children's Online Privacy Protection Act. It will also be prohibited from misrepresenting its privacy practices. InMobi will also have to setup a comprehensive privacy program.

**FTC alleged charges that it deceptively tracked locations of "hundreds of millions of consumers - including children - without their knowledge"**

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## Search Over! Voice is Next Big Thing

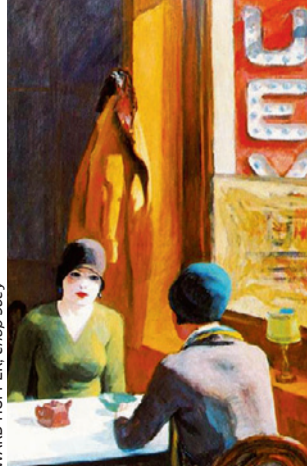
Typing to search is so last year. Across 34 major markets, almost 1 in 5 online adults use voice search on their mobile. But it's the age split which is telling here: the younger someone is, the more likely they are to be using voice to search. Is google listening?



## Investors Hear the Call from the Hinterlands

Funding action shifts to untapped cities like Surat, Ahmedabad and Indore to keep story alive

**NEXT TO YOU**



**Vishal.Dutta@timesgroup.com**

**Ahmedabad:** Incubators, investors and fund-raising platforms are turning to regional startups and ecosystems in smaller cities for the next level of growth, as stakeholders look to cities like Surat, Ahmedabad and Indore, players in the industry said.

This week, Mumbai-based Venture Catalysts expanded to Surat, the world's largest diamond business hub, making its first foray into a regional area aimed at mobilising startups, mentors, investors and catalysts. Last month, the Indian Institute of Management-Ahmedabad's incubator CIIE and global IT player SAP India started its second edition of the startup accelerator to mentor and build capaci-

ties of 30 startups by 2017, targeting regional investable startups in Gujarat, Rajasthan and Pune.

"We are looking at different breed of angel investors and diversity in startups from regional ecosystems" said Apoorv Ranjan Sharma, cofounder & resident, Venture Catalysts.

According to him, after the recent marking down of valuation of a few unicorn and non-unicorn startups, most investors are now seeking to invest in strong businesses with actual revenue and profit flow. After entering Surat, Venture Catalysts will set up operations in five more Tier-2 cities out of which three would be from Western India and one each in North and South India. "In next two years, we will have presence in more than 10 Tier-2 cities across India" Sharma said.

# Kalaari Cap Adds Three More to Its Leadership Team

Firm strengthens investment and ops teams

**Madhav.Chanchani**  
@timesgroup.com

**At the Top**

**PRASHANTH ALURU**  
Former partner, Bain & Company  
At Kalaari: Partner

**POOJA GUPTA**  
Former HR head, Myntra  
At Kalaari: Head - portfolio HR

**MUTHIAH VENKATESWARAN**  
Consultant, Spencer Stuart  
Now: Partner, Kstart

**VANI KOLA**  
Managing Director, Kalaari

As our portfolio companies have grown, both in numbers and size, the help that we can offer and make a difference often becomes more complex

**Bengaluru:** Venture capital firm Kalaari Capital has strengthened its leadership team with three appointments in the investment and operations teams.

The Bengaluru-based firm has roped in Prashanth Aluru, a former partner at consulting firm Bain & Company, as a partner and Pooja Gupta, a former human resources head for fashion retailer Myntra has joined the fund as head - portfolio HR. In addition, Kalaari has made the first senior hire for its seed programme Kstart, by appointing Muthiah Venkateswaran as partner.

The new hires come after Kalaari, an early investor in ecommerce firms Snapdeal and Myntra, raised \$290 million (₹1,922 crore) last year. The venture fund is now building an operations team, just like others in the industry such as Sequoia Capital India and Accel India, have already done.

"As our portfolio companies have grown, both in numbers and size, the help that we can offer and make a difference often becomes more complex. We have been thinking how at each functional level we can help them," said Vani Kola, managing director at Kalaari.

Kalaari has Prasanna HK and Karthik Nageswaran who work with portfolio companies in finance. With Gupta now leading HR, the VC firm also plans to add executives for functions like legal, technology and marketing but "not immediately, as it takes time to hire the right people," according to Kola.

Gupta was with Myntra for over five years, where Kalaari was an early investor. She has also worked with software maker SAP and is an MBA from XLRI-Jamshedpur. Aluru, a BTech from IIT-Kharagpur and MBA from Kellogg School Management, was with Bain for over

nine years leading technology, media & telecom and digital practice across Asia Pacific. At Kalaari, he will focus on investments across enterprise software, consumer internet, cloud, big-data analytics, healthcare tech and logistics.

Venkateswaran has joined as the first partner at Kstart, where Kalaari plans to invest about \$20 million (about ₹135 crore) in up to 40 startups over the next two years. He helped set up Spencer Stuart's Bengaluru office and led their digital and leadership advisory practices in India. Venkateswaran has also worked with McKinsey and Texas Instruments.

Kalaari had also added several new advisors last year. Microsoft's former India chairman Ravi Venkatesan and Silicon Valley veteran Ram Gupta were roped in to work with startups in Kalaari Capital's portfolio, the venture firm already has Tata Group chairman-emeritus Ratan Tata as a special advisor.

# Mobikon Acquires MassBlurb for \$1 m

Acquisition will be mixed equity and cash deal

**SCALING UP**  
The buy will help Mobikon add 200 restaurant brands in India. Mobikon has a plan of on-boarding over 800 restaurant brands by the end of year



**Payal.Ganguly@timesgroup.com**

**Bengaluru:** Restaurant customer engagement and marketing platform Mobikon has acquired Mumbai-based social and marketing solutions provider MassBlurb in a mixed equity and cash deal estimated to be around \$1 million.

The acquisition will help the Jungle Ventures and Asean tech-fund Qualgro-backed Mobikon to integrate online review management, website automation and other services to its clients.

"Our customer overlap is less than 6% and with the current acquisition, the restaurants can manage loyalty, social engagement and other features on a single system," said Samir Khadepaun, founder of Mobikon, which has offices in Pune

and Singapore, and clients across India and South East Asia.

"We have also come up with an integrated dashboard where they can monitor order flows offline and through aggregators and manage the lifecycle of the customer."

The founders of MassBlurb will be taking up key roles in Mobikon with Sanket Shah managing key accounts and partnerships, and Panjit Chheda working on new product initiatives.

The acquisition will help Mobikon add 200 restaurant brands in India. Mobikon has a plan of on-boarding over 800 restaurant brands by the end of year. It currently works with brands including Radisson Hotel, JP Palace, Copper Chimney, Shankey's Pizza, Swensons, City of Dreams, Secret Recipe and Red Crab Group.

**BHAVIN PARIKH**  
Cofounder, Fundtonic.com

We are looking for new investors and HNIs from different regional zones, who can invest in our short-listed startups

Last week, Mumbai-based Fundtonic.com, a fund-raising platform for startups as well as an enabler that allows angel investors or high networth individuals (HNIs) to invest in promising startups forayed into Gujarat. "We are looking for new investors and HNIs from different regional zones, who can invest in our short-listed startups," said Bhavin

Parikh, cofounder, Fundtonic.com. Parikh said that Gujarat has a large number of HNIs investors, who are already known in Mumbai investment circles for making deals as angel investors.

Rakesh Dube, founder, BookMyStorage was one of the Mumbai-based startups that pitched in front of Ahmedabad-based HNIs and angel investors. Dube is exploring a completely new set of investors from regional startup ecosystems as funding in mature startup hubs has been scaled down. After organising a startup fund raising event in Ahmedabad, Fundtonic.com plans to do the same in other regional startup zones - Surat and Nashik.

From last year, many top VCs have been interacting with Indore-based startups, which was not a city in their radar until recently.