

Management tech start-up SirionLabs raises \$12.25 mn

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MUMBAI

SirionLabs, a start-up that provides supplier management technology products, has raised \$12.25 million (about ₹85 crore) in a Series B round of funding led by existing investor Sequoia India, a top company executive said. The funding round also saw the participation of QualGro Asean Fund and Canopy Ventures. In January 2014, the firm raised \$5 million from Sequoia in its series A fundraising.

SirionLabs, founded by Ajay Agrawal in 2012, helps large enterprises manage outsourcing and procurement services.

“There has been a tremendous growth in strategic outsourcing in the recent years and most large manufacturer of goods have started offering their goods more as a service. SirionLabs provides buyers of these managed services with software monitors their relationship with the suppliers,” said Agarwal.

SirionLabs helps companies track the deliverables of the supplier in the contract, analyses performance big data to decipher the performance of the supplier and audits the invoice from the supplier, he added.

The company which launched its beta version in 2013 with its first client Western Union, today has almost 20 large enterprise customers. The firm is targeting to reach 40 customers by end of the current financial year. Some of the large clients that employ

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SirionLabs services include the likes of MasterCard Inc., BP Plc and Vodafone Plc.

The Sirion network currently has \$2.7 billion worth of contracts stored on it and more than 10,000 suppliers on the platform.

“In the last few months, we validated \$324 million worth of invoices, in which our system automatically found discrepancies of \$21 million. Thus, the clients were able to reduce their invoice value by 6.5% more using Sirion,” said Agarwal, adding that in the long run, Sirion helps companies make the suppliers raise their performance.

With the latest fundraising, Sanish Mondkar, a former executive vice-president and chief product officer at global enterprise software giant SAP, has joined SirionLabs’ board. Earlier, as the chief product officer at Ariba, Mondkar led all products and operations and built the Ariba Network, a procurement business network. He will work closely with Sirion’s product and engineering teams.

The funds raised in the latest round will be used primarily for strengthening the Sirion’s go-to

market strategy, said Agarwal.

“The primary focus will be on go-to-market. We are now at the 3.0 version of the product and we need to accelerate our marketing approach. Some of the funds will be used to build out our product marketing and the marketing function in general,” said Agarwal. The company will be hiring marketing talent to build its sales footprint in key markets such as the US, Europe and Australia.

The company is also tying up with consulting firms such as Accenture Plc and McKinsey and Co. for increasing its distribution reach. “Part of the proceeds will be invested to build these alliance relationships and train the alliance partner’s people to implement and customize the product to suit their customers’ needs. Some of the firms we’ve partnered with include Accenture and McKinsey. These partnerships will help our go-to market model to become from a direct one to a distribution led one,” said Agarwal.

Funds will also be used to deepen the SirionLabs’s research and development efforts in artificial intelligence (AI), he said. On the AI front, the firm is working with The Natural Language Processing Group at Stanford University.

India’s software product companies have been witnessing healthy investor interest, despite the overall slowdown in the venture capital ecosystem. Venture capital deals in start-ups fell to \$634 million in the first half of 2016 compared with \$958 in the year earlier, according to private equity and venture capital database Venture Intelligence.

On Monday, *Mint* reported that Freshdesk Inc., a Chennai based tech product start-up that helps companies manage customer relationships, has generated interest from several global investors looking to pick up a stake in the company at a valuation upwards of \$500 million.