



Startup Speakeasy

Honest conversations. Real stories

S01 | EP03 | Conversation with OfBusiness Co-Founder:
Exploring Efficiency in B2B Trade



Musical intro

Karan Marwah:

Welcome to the start-up speakeasy by KPMG in India. We call them honest conversations with founders of India's emerging giants. My name is Karan Marwah, and with me today is Nitin Jain, who's a co-founder at OfBusiness. Nitin, it's good to see you again and thanks for being here and doing this with us today.

Nitin Jain:

Karan, thank you so much for having me. Always a pleasure coming to the KPMG office. It's wonderful seeing all of you.

Karan Marwah:

Thanks for that. Nitin, we'd like to begin. I'd like to begin with, you know, maybe just getting to know you a little bit more. I know we met a few times, but, you know, talk to us about what's been your background. I know you've been a successful investment banker in one of your careers. You know, and one of the roles that you had through your career. But making the switch from that to, you know, the unstructured world of, startup, and, and taking OfBusiness to where it is today or bringing it to where it is today. How's that journey been? What have been some of your sort of personal experiences? We'd love to hear about those.

Nitin Jain:

So, no, I, I grew up in Delhi, and I studied schooling as well as my college was in IIT Delhi. So, I Delhi felt very natural and very homely to me, right. All my life. So when I went to London, I thought, you know, I would get global exposure. I would love it. And then, you know, make a lot of money, etc. But I went there when the global crisis was just about to start. That was 2008. September is when I landed up. Okay. Lehman went bankrupt.

Karan Marwah:

Yeah

Nitin Jain:

So what happened after that was, I spent about close to seven odd years in investment banking in London. Did reasonably well. But then I realised I was not making too much of an impact. Right. So whoever I was working with or for, you know, those were large giants in the telecom sector and the automobile sector and, it just, you know, felt that I was not making a large scale impact or I was working for the rich to make them richer. I said I was not for the for the for the real economy in terms of, you know, the ground level economy or the leaf nodes, as you would call it. So, then I started looking out, for opportunities in India, because doing a startup in London or Europe or let's say the US, where everything is so efficient, you know, doesn't really make sense. And so, I thought, let's go to a place where inefficiencies everywhere, and you can actually create a lot of value and opportunity from those inefficiencies. And India was the place to be. We have 1.5 billion, people and counting consumption economy and growing.

Karan Marwah:

Yeah

Nitin Jain:

So, I thought that, you know, we can find inefficiencies in every nook and corner. And we just made the decision to come back and join hands with my other co-founders to build out OfBusiness.

Karan Marwah:

And this was in 2015 or?

Nitin Jain:

This was in 2015, September, you know, when the startup ecosystem was about to take off.

Karan Marwah:

Yeah, perfect timing.

Nitin Jain:

At that point of time, the large, giants in the food industry or the e-commerce industry, and the today's large giants were, sort of fledgling startups back then.

Karan Marwah:

Yeah

Nitin Jain:

And they were kind of about to fly. So, we thought that B2B sector is a sector which is largely untouched. Everyone was concentrating on the B2C part of it.

Karan Marwah:

Yeah. Yeah.

Nitin Jain:

So that's where our journey began, and that's where we kind of, you know, found an opportunity, a massive opportunity.

Karan Marwah:

But was the family okay with the move? You know, coming back from London?

Nitin Jain:

They were largely supportive, but, you know, some of the relatives said, are you leaving such a cushy job? You're working in London where people dream of going, and then you coming back to India?

Karan Marwah:

Yeah

Nitin Jain:

You know where, earlier it was, like, all about brain drain, right? How soon can you get to the US? How soon can you get to San Francisco or New York or London or Hong Kong or Singapore? And go out of India?

Karan Marwah:

Yeah

Nitin Jain:

And send those dollars back home. But I think in my case, it was never the money that excited me. I think money was an outcome of your work. It was more about, large scale impact. And can I actually deliver to my potential?

Karan Marwah:

But let's talk about that. Right. So, you mentioned impact now a few times. And, you know, what does that really mean for you and what were what was the motivation behind, again, leaving what was possibly a cushy job and, you know, starting all over again. Right. You know, the impact when you say impact is it personal gratification? Is it more about, you know, I think you said money was not the primary motivator. What really do you mean? When you mentioned impact?

Nitin Jain:

Yeah. So, you know, when I mentioned impact, it's, it's very it's very important for me that whatever I'm doing has a large-scale impact. Now, when I talk about large scale impact, that the number of people that the solution actually touches.

Karan Marwah:

Yeah

Nitin Jain:

Or impacts or solves a particular problem that the TAM (Total addressable market), should be extremely large. In banking, what happens is that your TAM is extremely small, because you have a certain of the clients that you want to serve, and that time is reasonably small, right? So obviously the dollar value per client is pretty high, but the number of people that you are impacting is..

Karan Marwah:

Limited.

Nitin Jain:

Is very limited. In India, you know, the SME ecosystem is so large, if you got about 60 million or 6 crores SMEs in India, right. And growing. Yeah, I think the number maybe even seven crores now. But when you started it was also about five, six, odd crores. So just the fact that there was a large TAM, I think there was an unstructured economy and things were inefficient, just, proved that, you know, so we can just get out that a problem and solve it very, very deeply and impact a large number of people at the same time?

Karan Marwah:

No, it's interesting this I mean, again, India is obviously a massive nation, and we got a massive number of problems and equal number of opportunities also.

Nitin Jain:

Right.

Karan Marwah:

So, I'm just curious how you know, you, with your other co-founders, zoned in on this opportunity to solve for the SME ecosystem.

Nitin Jain:

So, the reason why we chose the SMEs in the B2B ecosystem was, mainly because the other companies, the other startups, some of them were doing food delivery, some of them were doing e-com. They were all focused on B2C

Karan Marwah:

And you, I was going to say that you guys were possibly one of the first, to focus on B2B, you know, at scale.

Nitin Jain:

Other companies were there in the B2B, they were not doing very well, or they were trying to solve it in another way. But we saw this opportunity that this is an extreme amount of white space.

Karan Marwah:

Yeah

Nitin Jain:

So, we do not want to enter a red ocean. We want to enter a white space, where we would have an opportunity to rapidly scale because all of us were extremely focused on scale.

Karan Marwah:

Yeah

Nitin Jain:

How do you get to that? Rapid scale was very, very important plus.

Karan Marwah:

So that's part of the impact, I guess, you know, to be able to impact, or effect a large amount of, people or a large ecosystem, I suppose.

Nitin Jain:

Yeah. And that just has, an immense amount of gratification. Right. So you leave a legacy behind and, it just seeing the SMEs improve their bottom line.

Karan Marwah:

Yeah

Nitin Jain:

Seeing the SMEs actually solve their pain points using our solutions was extremely gratifying. You know, when you see that SMEs grow year on year by about 40, 50% earlier, they were able to grow only about 15, 20%. Suddenly the growth rate has been, doubled.

Karan Marwah:

Yeah

Nitin Jain:

Because of a small impact that we were able to make, you know, was extremely gratifying. And that's what I mean by impact. And that's what I mean by seeing your solutions actively work on the ground.

Karan Marwah:

We will come back and talk about this. And I think you said small impact, but I, I think it's a massive impact. But I'm just curious, how did you guys meet? You know, the you have five co-founders now?

Nitin Jain:

Yes, that's right.

Karan Marwah:

How did you come about, getting together?

Nitin Jain:

Yeah. So, the IIT network is, extremely strong. Yeah. You know, one, post, people latch on to it. People want to know what is going on. People are just very, very curious. So all of us are extremely curious, even if we have nothing to do with it. So, I, so Ashish, my co-founder, was looking to build a team in the B2B space and, he put out a post in one of the IIT groups and I latched onto it. Right. So. And, he was looking for a CTO, but I had left, technology about seven years behind. Right. So, I was not a tech guy, but I just told him that. Listen, I'm not a tech guy. What do you want me to do? He said, listen, I don't care if you're not a tech guy. Just come to India. We'll figure something out. So that's when I came, and I met him. The other co-founders, Ashish knew through his, earlier days where he was working., Ruchi is his wife. And Bhuvan kind of knew through a network. Okay. That's how we met.

Karan Marwah:

So, you guys didn't know each other while you were at.

Nitin Jain:

Except for Ashish and Ruchi, I think none of us knew each other.

Karan Marwah:

Oh, wow.

Nitin Jain:

So, I think that was a great, camaraderie that we built. And the most important thing is that each of us had very, very defined roles.

Karan Marwah:

Yeah

Nitin Jain:

So, we do not step over each other's toes.

Karan Marwah:

Yeah. That's got to be important. Right. Because the five co-founders, you know, I'm sure everyone's got their own views and strong views at that at times. So how do you manage that? Is it by defining, you know, the areas that you're focusing on? I'm sure there are differences. So how do you resolve differences when it comes to that?

Nitin Jain:

So, all of had very complimentary skills. So, if you talk about Bhuvan, he was extremely tech focused.

Karan Marwah:

Right

Nitin Jain:

So, nothing should slip or there should not be any tech breaches, etc. So, he was very security tech first guy. Vasant was a very ops heavy guy. Ruchi was extremely finance and process oriented. Right. So not a penny should slip from here to there. So extremely, control freak, you know, as, as it should be, whether you're a startup or a scaled-up organisation. Ashish was a risk and profit guy, right? I was the hyperscale kind of guy. For me, it was a scale at all costs. Right? So, all of us kept each other in check, and all of us kept pushing each other.

Karan Marwah:

Yeah

Nitin Jain:

So that that's what worked. And complementary skillsets. With defined roles really worked for us.

Karan Marwah:

And how often do you guys get together now?

Nitin Jain:

I guess if you want to. Each of us have different roles. So, in the middle, what happened was earlier, we used to meet, like, every single day, and then we used to, convene at once in a week, then probably once in 15 days. But now we convene more often because, you know, the organisation is scaling up. We need to consolidate a lot of things. We need to really, improve our focus in a few areas, improve the metrics. So, we meet a little bit more often.

Karan Marwah:

Yeah. Who came up with the name OfBusiness?

Nitin Jain:

So, it was actually Ashish, and it was inspired by the Gettysburg Address.

Karan Marwah:

Oh, is it?

Nitin Jain:

So, it's like by the people. For the people. And I think I think of the people. So, this is order for business, order from business. So that's how that's.

Karan Marwah:

That's interesting. I was reading something about the Gettysburg Address, in a different context yesterday, but here we are talking about again.

Nitin Jain:

So, we were quite inspired by Lincoln to be very honest.

Karan Marwah:

Really? Why is that?

Nitin Jain:

Yeah, because the way he commandeered, his, his entire nation.

Karan Marwah:

And I think one of your values is the warrior spirit if I'm not mistaken.

Nitin Jain:

Absolutely. Yeah.

Karan Marwah:

So, is that where it comes from?

Nitin Jain:

Sort of, absolutely, yeah. you know, the way, the I mean, he was, he was a founding father and, the way he got, America together was absolutely fantastic. And that's what we also trying to do in OfBusiness. So, they the family.

Karan Marwah:

Well, it's a good segway to my next question in terms of building up the organisation from grounds up to where it is today. And I think you use the word hyperscale, and I think it is, you know, something that's been hyperscaled, again, what were some of the building blocks that you thought, you know, that were put in place at the right time that have helped you with this?

Nitin Jain:

So, three, four building blocks, have really helped us. The first thing is, heavy focus on delivering value to the clients, right? So we have to solve for the pain points, not we don't have to give them a vitamin. I think that was the first thing that has been drilled from top to bottom, the organisation. Right. So when you end up solving for vitamins, the clients are not sticky.

Karan Marwah:

Yeah.

Nitin Jain:

You end up alleviating the pain. That's when the clients become sticky and really like the solution. That was the first. The second most important thing is, there was an immense push on profitability from top to bottom, and it came right from the top right now.

Karan Marwah:

And was that from day one?

Nitin Jain:

Absolutely. Day one. So, from day one, we were hellbent on not losing money on any transaction. We were hell bent on making money and not at a not at a, you know, CM one CM we don't even know what that means, to be honest with you. We just know what PAT means, right?

Karan Marwah:

Yeah.

Nitin Jain:

So EBITDA PAT PBT. CM one CM two.

Karan Marwah:

Those weren't, those weren't fashionable words when you guys started off.

Nitin Jain:

Actually They were very fashionable. Extremely fashionable. Right. So people, used to put logistics cost within gross margin. Then someone said, okay, move ahead because your gross margins look higher. We said, we don't care about any of that.

Karan Marwah:

Yeah.

Nitin Jain:

Ultimately What makes a difference is your bottom line. We will track the metrics, but we'll just focus on the bottom line. And that was drilled down right from the top to bottom right. And that was not that was not we wanted to make money at the expense of our customers. That was actually we wanted to make money so that we can sustain for our customers to continue to deliver value.

Karan Marwah:

And be able to hyperscale.

Nitin Jain:

And this really worked during the Covid times No, because during the Covid times, most of the people were and they ended up furloughing, they ended up, cutting a lot of, costs through, layoffs, etc. So, we did none of that because we said that, listen, we focus on profitability. We are profitable. It's okay to, to, to go through, three months of lows. And because we did that, we hyperscaled, beyond any, means of imagination.

Karan Marwah:

Yeah.

Nitin Jain:

So that was, that was good to see.

Karan Marwah:

Again, going back to one of the attributes you mentioned, your customers. And you, again, being a B2B business, you've got customers at both ends. Right? You know, the ones that you procure for and the ones that you procure with or from again. So how do you, you know, and then with hyperscale as the ambition or one of the North Stars, how do you make sure that the customer at either end gets the experience that he or she is looking for?

Nitin Jain:

So, you have to come up with something that actually that, that the market really wants. Right. So, what I mean is you have to find a product market fit. Until then, you won't be able to hyperscale. So, for the first year, it was difficult to find a product market fit because, we said that, okay, we're just going to be a platform where people will come, People will order steel from us, and we will supply steel to them. Right. Or we'll connect them to suppliers, etc. That did not work very well because, we were not really solving for anything apart from discoverability.

Karan Marwah:

Yeah.

Nitin Jain:

And, steel prices are fairly discoverable in the market, right. So, we're not really alleviating too much of a pain point. Then we realised after about six months or eight months odd that commerce is, so the credit with commerce is the biggest pain point. So, they need credit as well.

Karan Marwah:

Yeah.

Nitin Jain:

So there were banks who were giving you credit. There were distributors who were giving you material, but distributors were willing to were not willing to give credit banks were obviously not doing it either because that's not their forte.

Karan Marwah:

Yeah. Yeah.

Nitin Jain:

We said there's a there's a big whitespace if you combine these two. So in the Venn diagram there's a huge intra intersection waiting to be tracked where you become a credit provider as well as a material supplier.

Karan Marwah:

And that's a role Oxyzo plays.

Nitin Jain:

Yeah. That's where Oxyzo was born.

Karan Marwah:

Yeah.

Nitin Jain:

So that actually is where we figured out a PMF or a reason for existence or a right to win.

Karan Marwah:

Yeah.

Nitin Jain:

Because no one else was doing that. Right. So. So the other companies came into being where they claim to be of business of X, y, z, you know, whether it's other, commodities, categories, etc., etc. but our reason for existence was because we managed to combine credit with commerce, and no one else, was really doing it because they did not understand both of these together. They understood one.

Karan Marwah:

Yeah.

Nitin Jain:

Banks understand credit. Distributors understand material. Distributors do not understand credit.

Karan Marwah:

Yeah.

Nitin Jain:

The reason I say they do not understand credit without undermining them is because they give credit basis on relate based relation relationships. Banks give credit basis huge amount of documentation.

Karan Marwah:

Yeah.

Nitin Jain:

And they collect data. They, they have do a lot of machine learning. They, they sense. They do a lot of forecasting etc. Calculate probabilities or default. So, we said why don't we combine the relationship aspect along with the quantitative aspect and come out with a even better decision of whom to give credit to and whom not to.

Karan Marwah:

And what role the technology play had. I know it did play a massive role.

Nitin Jain:

100%. So, you know, the data that we collected, we got a lot of data. And then we managed to mine a lot of data. No. So, let's say, let's say a customer, you know, mentioned, five different suppliers to us that they were procuring for. We onboarded all those suppliers to benefit other buyers in the ecosystem.

Karan Marwah:

Yeah.

Nitin Jain:

No. So all of this was only possible using data mining, and we were able to calculate the probability of default of the customer or the credit worthiness only through data and, through data mining and machine learning.

Karan Marwah:

Right.

Nitin Jain:

So, technology played a huge role. And plus, at the scale that we were operating, we were in our, you know, in 2019, we were doing about 100, 200 crores a month of transactions. So that was a massive scale, right? If we did not have tech, we could not have done, that particular scale back then, all the everything would have just been blown to pieces.

Karan Marwah:

Yeah.

Nitin Jain:

So, we kept a huge emphasis on internal efficiencies and, and technology.

Karan Marwah:

Well, I still want to go back to the customer experience in all of this. Again, I think it's critical, given it's such a massive, I would say disaggregated space. And it's, you know, it's always been under addressed. Right. And that's the opportunity I get I think you guys saw.

Nitin Jain:

Yeah.

Karan Marwah:

But to be able to you know service. So many customers at scale. I know we've spoken about technology playing a role, at least in terms of solving for the business problem here. But how do you solve for relationships.

Nitin Jain:

Yeah. So that that's a good point. So, at the moment we've touched the close to a million, SMEs.

Karan Marwah:

Yeah.

Nitin Jain:

And monthly transacting SMEs are also in, large, five digits. So, we managed to build the ecosystem. So earlier we were we were lined on our salespeople building the relationships with the customers.

Karan Marwah:

And that's been the typical model?

Nitin Jain:

And that's been the typical model for a lot of companies. Exactly. You know, we also, kind of have actively changed that process, where it's a company that should interact with the customers, you know, with that technology taking over. We were the first ones to build, NLP engine, a natural language processing engine that was to interact with the customers. So, if the customer wanted information about the orders, they used to just type "mera truck kaha hai mereko batao" and we used to give them information.

Karan Marwah:

And it's all vernacular?

Nitin Jain:

Vernacular, natural language, they used to ask about prices of various commodities, raw materials. We used to give them in a matter of seconds. And they just managed to, you know, get themselves addicted on to the app. So that's the experience that we built. Not only that, but also, we kind of give them information about the orders they were able to they could potentially procure.

Karan Marwah:

So that was the hook, I suppose.

Nitin Jain:

That was also one of the hook, that you can come on to a platform, let's say you want a 200 crore tender, from a government body in a specific place like Delhi. We'll give you all the options available. Then you can go and bid for them.

Karan Marwah:

Right.

Nitin Jain:

So that helps us in getting leads. And that help us build a top of the funnel at the same time helped us, you know, hook the customer onto our platform.

Karan Marwah:

Yeah.

Nitin Jain:

But it's interesting, again, because we gave to the customer.

Karan Marwah:

And it's interesting because, again, you always think this is why touch and feel business, right? Especially when the word relationship comes in and taking that and, you know, putting it on to our technology platform, you know, and you know, the app and the habit-forming aspects, I suppose there. Again, anything else that you think worked in your favour to be able to do that. Or is there still a human element that you've not been able to substitute?

Nitin Jain:

You know, with the AI advancements, that really propelled our technology adoption, you know, because everyone started using the chat bots and, for writing poems, emails, etcetera. But we kind of say that, you know, this can be used for something much, much, much bigger.

Karan Marwah:

Yeah.

Nitin Jain:

That's what we started doing. And that really helped. So, 2022 was a Turning point. Then we said. We've got to change the habit of the consumers.

Karan Marwah:

Yeah. Excellent. So going back to hyper scaling, and this is a very personal question now obviously takes a lot of energy and stamina to be able to keep at it day in, day out by you, by the rest of the company and the organisation. So two parts of the question you're one is how does the organisation keep itself, fit for that? And I'll come to the second question later.

Nitin Jain:

Yeah. So that's the DNA that we managed to instil of hyperscale because we are extremely focused on numbers and you know, clients. Right. And but that's drilled down into every salesperson that is out there and, and the entire system.

Karan Marwah:

Yeah. But my question is how the, the how do you do that. How do you make sure that the, you know, the entire, you know, set of people that you have are, you know, talking the same, spiel and, you know, moving to the same sort of moving the same direction, I suppose. Yeah.

Nitin Jain:

Because we are very transparent.

Karan Marwah:

And you are a very young organisation, from what I know.

Nitin Jain:

We are a 9-year-old organisation.

Karan Marwah:

I just mean, in terms of the average demographics.

Nitin Jain:

Our average age is about 28, 29 years.

Karan Marwah:

Yeah. It's a fairly young.

Nitin Jain:

It's increased by maybe a year, year, and a half. In the past few years, because we got a we got people who are earlier with us, still in the organisation.

Karan Marwah:

Yeah. Which is a good thing.

Nitin Jain:

Which is a good thing. So, so the average age has actually increased because of that. But I guess, you know, when you have a young team, they are extremely coachable and mouldable. So our thesis was, why don't we get freshers from MBA colleges. So we started hiring from MBA colleges and good MBA colleges and we started giving them space. And they really wanted to prove themselves.

Karan Marwah:

So define spaces, operational freedom. Is it?

Nitin Jain:

It's a freedom to make a few mistakes. It's a freedom to go out there and express themselves.

Karan Marwah:

Yeah.

Nitin Jain:

Freedom to go and, you know, paint the canvas as you see fit. Fit. Obviously, we had protocols and processes to actually guide them how to do that.

Karan Marwah:

Yeah.

Nitin Jain:

Because they so that they wouldn't go, haywire. But I think that really helped having a young organisation that we were able to coach and mould according to the vision of the organisation. And the second thing that actually helped is that we are an extremely transparent organisation. So even if there's a problem, we are actually extremely transparent with everyone.

Karan Marwah:

Yeah.

Nitin Jain:

Now, what that makes them feel is that. And which is the right thing to do. They feel extremely tied to the organisation. Right. Tied to the hip.

Karan Marwah:

Yeah.

Nitin Jain:

So that really helped. And so any messaging that went out they used to take extremely seriously. And the messaging was the same whether it was from me, Ashish, Ruchi Bhuvan, Vasant, or anyone in the L1 team, the messaging was extremely so. And the tone at the top the same, the tonality, the pitch, the content was it was extremely clear.

Karan Marwah:

Yeah.

Nitin Jain:

I think all of us that's what, made us very cohesive.

Karan Marwah:

Was that rehearsal, that that come naturally?

Nitin Jain:

It came very naturally. And that's something that we are extremely lucky to have. All of us have the same wavelength. We have different perspectives. We have different skill sets as we show, strengths. But the this this is a common vision which we all aligned to at the beginning.

Karan Marwah:

And what is that north star?

Nitin Jain:

That vision is essentially to improve the bottom line of the SMEs. That vision is very clear.

Karan Marwah:

And where are you in that journey?

Nitin Jain:

So, as I mentioned, you know, about, I would say about 30 to 40% of the SMEs that we work with have seen a growth, and, and a massive growth in the growth rate in terms of revenue as well as consequently the bottom line. So that actually makes us very, very proud. And so, we are helping them grow not only by giving them access to, credit, but also giving them access to cheaper raw materials and now access to where they can sell their products.

Karan Marwah:

And again, another Segway to I think it also, you also manufacture a lot of stuff, right? So how does that fit in with the rest of the piece of the puzzle.

Nitin Jain:

So it was a natural extension. So if you're if you're distributing or if you're an aggregator of goods, and then you start supplying and you're picking up from a different manufacturer. Right. So we realise that the only way to control the quality is to actually go and backward integrate into setting up your own manufacturing units, because, you know which distribution cycle you're very good in. Or distribution, which distribution supply chain you're very good in. Why don't you go in backward integrate so that you can actually supply quality products? Okay.

Karan Marwah:

So was that a customer ask or, was?

Nitin Jain:

Something that we figured out would be very useful for the client.

Karan Marwah:

And you never have the instance where, let's say, some of your suppliers on the platform thought you were actually going to compete with them?

Nitin Jain:

Market is extremely big.

Karan Marwah:

It is. Yeah, yeah, the space for everyone.

Nitin Jain:

It's extremely big. So no one. So we were a distributor first. We were the distribution first approach going into manufacturing.

Karan Marwah:

Yeah.

Nitin Jain:

A lot of manufacturing is now going into the distribution, but second approach.

Karan Marwah:

Yeah.

Nitin Jain:

So, I won't take names. But there are many large conglomerates trying to take our business model.

Karan Marwah:

Yes.

Nitin Jain:

Another distribution layer, where they have multi-brands.

Karan Marwah:

Yeah.

Nitin Jain:

So, you know, we because we built the distribution layer. So all the suppliers we are anyway giving a large amount of business to, you know, you know, we've not taken away the business. We have built our.

Karan Marwah:

Expanded the business.

Nitin Jain:

Yeah, we have expanded the business.

Karan Marwah:

Getting more people into the formal ecosystem.

Nitin Jain:

Exactly. If you were giving X to the supplier that X is growing by a natural growth rate year on year.

Karan Marwah:

Yeah.

Nitin Jain:

We managed to grow the entire ecosystem by another Y percentage. And then some part of it we capture as our own in our own manufacturing unit.

Karan Marwah:

It's fantastic. I'm going to swing back to the second question I promised I'd ask you in terms of hyper scaling and how do you keep yourself fit?

Nitin Jain:

So I have a routine where, I play tennis every single day, so I can't go without playing tennis, and that keeps me sane.

Karan Marwah:

Yeah. That's your release.

Nitin Jain:

That's my. Yeah, that's what I, just give it my all, to release my mental, I wouldn't say tension, but mental. Any kind of stress that is there. And it just keeps me fit as well.

Karan Marwah:

Yeah. It's important. I think all of us need something to be able to.

Nitin Jain:

And it just given me a clearer vision.

Karan Marwah:

Yeah. Who's your favourite tennis player?

Nitin Jain:

Alcaraz. I could aspire distance.

Karan Marwah:

Fantastic. Now, coming back to OfBusiness. I think you've gotten to a point, like you said, you know, it's been fantastic thus far. Where do you go from here? Well, you know what's next? If you can share some of that with us.

Nitin Jain:

So, I mean, see, we are in terms of turnover, I would say we are still at 1% of where we aim to be right in the next 10 to 15 years. So there's a huge, huge area where we want to expand into. And we're just sort of, you know, I would not say tip of the iceberg a little bit more when we figured out how to hyperscale again, you know, because I believe we are at 1 to 10 journey.

Karan Marwah:

Yeah.

Nitin Jain:

Now we need to get from the 10 to 100 journey. We're not between the 10-100 journey because the market is extremely busy. And we are putting in growth levers to tackle that. Now whether it's through manufacturing, whether it's through, expanding outside of India.

Karan Marwah:

So that is going to be one of my questions. Are you looking at, overseas?

Nitin Jain:

So we believe in the India growth story. We believe in Make in India and ship to the world.

Karan Marwah:

But is the world ready for that?

Nitin Jain:

I think it's there. So if you look at, the global scale, China owns 31% of the manufacturing across the world. India owns only 3%.

Karan Marwah:

Yeah.

Nitin Jain:

And, you know, I think with the way costs, etc. being balanced with the government subsidies coming into play with the push on exports, etc., etc., I think we are well set for the next decade.

Karan Marwah:

But do you still get quality questions? I think that's one-on-one frame we commonly hear about. Right, that people still have concerns about the quality vis a vis in China.

Nitin Jain:

That's where the new age businesses come into play.

Karan Marwah:

Yeah.

Nitin Jain:

And that's why we are very, very heavily focused on the quality that we ship out.

Karan Marwah:

Yeah.

Nitin Jain:

Okay.

Karan Marwah:

Any other growth levers apart from, you know?

Nitin Jain:

These are the growth. And then our tech will also be a growth lever for us where, we intend to, do a lot more for our clients, in terms of painkillers, in terms of getting them orders.

Karan Marwah:

Yeah.

Nitin Jain:

In terms of giving our clients relevant leads for the categories that we don't operate in so that they can grow their business.

Karan Marwah:

And that itself as a, a new space to expand into.

Nitin Jain:

Exactly. So we want to attack that particular space.

Karan Marwah:

And again, going back to technology, I think, all of us can't live without it. But in your mind, what are some of the risks that you see that, you believe, you know, the organisation should be ready for?

Nitin Jain:

Let's see, a couple of risks are obviously that is so, one is sectoral risk. That is the sector suddenly tanks. Right. So what happened during Covid is that people stopped buying cars.

Karan Marwah:

Yeah

Nitin Jain:

So the auto sector kind of tanked pretty heavily, but our infra sector took off because the infrastructure, government saw it as an opportunity to, to just spend a lot on infrastructure because they knew that Covid was going to go away one day. And they needed to connect to remote places. Why. Because medicines were not going, or transportation was not easy. So they saw an opportunity to do that. And that's that sector actually. So really, really came up. So auto sector came down but infra sector went up. And similarly this will keep happening. So we need to be very aware of the cycles. But we are diversified. So one sector dropping shouldn't affect us.

Karan Marwah:

Kind of heads naturally.

Nitin Jain:

But if there is a systemic problem when all the sectors get impacted. That's a risk, obviously.

Karan Marwah:

Yeah.

Nitin Jain:

But we need to be aware of the cyclical nature of the business.

Karan Marwah:

And any specific technology that you see that you need to be ready for?

Nitin Jain:

See technology we have to be extremely careful.

Karan Marwah:

Your technology team is also all in-house. If I'm not mistaken.

Nitin Jain:

Everything is in-house. So we don't believe in outsourcing technology. Yeah. Because we can then customise for what the clients actually want and deliver a fast, turnaround time for them.

Karan Marwah:

Excellent.

Nitin Jain:

Yeah. So technology, there are risks. Naturally. I mean, technology, especially with AI, coming into play. You can always hallucinate and give something, that the clients, you know, take on, on face value and then suddenly come back and say that, okay, you give me this information now, you have to pay for it. So we have to be aware.

Karan Marwah:

You've got to be on the guard for that.

Nitin Jain:

You have to put guardrails. Yeah.

Karan Marwah:

Given the footprint of what you do. And I think it's immense, right. In terms of just, width and spread of, you know, the different, commodities that you touch, you know, there's, there's distribution, there's manufacturing, what about ESG? You know, I think that's something that, I think is something all of us are acutely aware of today. And, you know, even when investors are looking at, organisation, they are asking that question, how are you gearing up for that? Are you geared up; you know. What are your personal perspective?

Nitin Jain:

So as any organisation, we're spending a lot of time and energy in terms of ESG. So, you know, one of our textile factories, we are in the process of implementing, implementing, IoT devices that can capture, consumption of water and help reduce the consumption of water to one tenth or one fifth. And so we are doing all of that. And even in other plants, we are we are very well aware of the carbon credits that they make, because steel in essence does emit carbon credits. So we are trying to do that. We can balance out the carbon emission with the carbon reduction. So we are we are taking steps as an organisation because that's the right thing to do before we go public.

Karan Marwah:

Yeah. Yeah, I, I would imagine and again, from a, from the perspective of the organisation itself, I think we've spoken about technology, we've spoken to about people. We spoke about the fact that you have a cohesive, you know, set of founders, we've spoken of the opportunity space itself. But if you were to look back, you know, 2015 to today, you know, we are in 2024 if you were to do something differently in building out, you know, the business, and, you know, achieving the scale that you have achieved. Is there anything that comes to mind?

Nitin Jain:

Not really, because, you know, it had failures had their own, benefits for us. Right. So we learned how to fail fast. So I would not want to trade that experience with anything. Yeah I guess everything happens for a reason. And failures that have that have or obstacles that have come our way have only taught us how to become better and made us stronger. So had those obstacles, not been there, we would not have had a guard up or set up processes to alleviate those. Had a process already been set up, we would not have learned it or learnt how to, check for other obstacles on the way. Now, we very well aware of any,

Karan Marwah:

Any challenges that that you recall that that at that time seemed insurmountable. I know Covid personally.

Nitin Jain:

The second round when we were trying to raise funding, we were three months, three weeks away from, de-growing.

Karan Marwah:

Oh wow.

Nitin Jain:

And potentially running out of money.

Karan Marwah:

Yeah.

Nitin Jain:

So challenges, that that was a near death problem for us. But, we as a team, got together. We managed to raise our second round, and that's when the hyper scaling happened.

Karan Marwah:

Right.

Nitin Jain:

After we discovered our PMF.

Karan Marwah:

And how easy or difficult was it to explain your business model to investors, given that you were the only one in India, was doing that at scale at that time, or trying to do that at scale at that time.

Nitin Jain:

It is very difficult. because they did not think that commerce and credit could exist.

Karan Marwah:

Yeah.

Nitin Jain:

So we got rejected by innumerable number of investors.

Karan Marwah:

Yeah.

Nitin Jain:

Yeah. So it was it was not easy at all.

Karan Marwah:

But then again, I mean it's a, it's a I guess a heady combination of, you know, finance and you know, the supply chain problems you're trying to solve. Does it ever become a challenge to say, look, what are we gonna sort of, you know, go after, in a more energised fashion? You know, does one pull hair of the other at times, or, you know, how do you keep both in sync, right? Because both are equally massive opportunity spaces, on their in their own merit.

Nitin Jain:

So, at the moment we got, both the teams, working, semi independently of each other.

Karan Marwah:

Yeah.

Nitin Jain:

So, they're growing at their own pace. They have their own targets. So that's how we keep them in sync. Right. And they are, they're kind of their own entity right now.

Karan Marwah:

So, it's self-balancing or.

Nitin Jain:

Yeah. I mean we don't sacrifice one growth for the other. They are growing at their own natural, pace.

Karan Marwah:

Yeah, yeah. And which one are you more passionate about?

Nitin Jain:

Both.

Karan Marwah:

I could resist asking that question.

Nitin Jain:

Like two children.

Karan Marwah:

Yeah. Very true, very true. Okay. I think, I'm going to possibly try and move towards, my last set of questions, you know, the state of the ecosystem. A lot has said today about, you know, there's no better time to start up. There's no better place to do it, other than in India. What is your personal perspective on that?

Nitin Jain:

I completely agree with that. With the kind of talent out there, with the kind of opportunity out here and making India built for the world, it's not been stronger. I think it's a great time to again startup because opportunities are aglow.

Karan Marwah:

Yeah. Yeah. But what would you advise? You know, people who are looking at starting up right now, any pearls of wisdom?

Nitin Jain:

Yeah, go for it. But at the same time, just build a very, very solid team with a complementary skill set.

Karan Marwah:

But that's I think that's, possibly, you know, I, I'm struggling to find the right word for it, you know, possibly serendipitous, right, that you found the right set of people to work with.

Nitin Jain:

We were lucky.

Karan Marwah:

Yeah, but now how does one sort of solve for that?

Nitin Jain:

There's a bit of luck involved, but there's a bit of, understanding what you want. What do you call that? So introspection of what are you good at? What you are not very good at.

Karan Marwah:

Yeah.

Nitin Jain:

And find those people who can actually balance out your weaknesses. That's extremely important.

Karan Marwah:

Yeah I think that's. And especially when you starting out, I think unless you are clear about where you going, you will lose track.

Nitin. It's been lovely having you here today.

Nitin Jain:

Pleasure's all mine.

Karan Marwah:

I enjoyed the conversation. I wish you and OfBusiness all the very best as you continue to scale up and look forward to seeing you again.

Nitin Jain:

Thank you so much, Karan. Really, really enjoyed the conversation and thank you so much for having me.

Karan Marwah:

It's been my pleasure. Thank you.

Nitin Jain:

Thank you.

Musical exit

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