

Apna Amdavadi roots to the success of Unicorn

Ahmedabad-based Nirmit Parikh who moved out of US to build the billion-dollar and youngest unicorn Apna, breaks down his startup strategy for Mirror's readers

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Amdavad ki hawa me vyapar hai, Saheb...Meri sans to rok loge... lekin is hawa ko kaise rokoge?" Nirmit Parikh is a man who lives and breathes this spirit of business acumen synonymous with Ahmedabad. Founder and CEO of Apna, Parikh has led his startup to become the youngest unicorn, showcasing his knack for identifying and solving problems creatively. His journey from studying Instrumentation and Control Engineering at Nirma University, rejecting campus placement jobs, to leading a billion-dollar company is a testament to his entrepreneurial spirit and problem-solving mindset.

His first venture, Incone Technologies, focused on flood control technologies, was born out of his ideas as a second year BTech student. He worked on it and developed it from his workspace in Odhav. Then came his second start-up - Cruxbot after his medico girl-friend Krishna wished during a bookstore visit on SG Highway about having a tool that summarized reading content. In response, he developed Cruxbot, an early incubate at Ahmedabad University's Venture Studio. It was later acquired by Intel, leading Nirmit to get Uncle Sam calling to chase his US dreams.

"I had done my degree in engineering but then thought about higher education when I came down to India to meet my then girl-friend's parents to finally talk about marriage. In the last application slot, I ended up applying at Stanford Graduate School of Business and got a seat. I was happy and felt privileged as I had a sense of being an entrepreneur with two companies already. But meeting my classmates, some of who beat life-threatening diseases, or founded an airline before joining the course, humbled and inspired me to do better," he said. After completing the course, he went to work at Apple, until the day his father informed him about difficulties in sourcing staff back at home.

"My problem-solving attitude worked overtime, and I made a platform to find the right set of skills for the blue-collar and grey-color jobs. Till this time, it was to help my father, and the platform started to do well. Apna was born—a mission to enable livelihood for billions through jobs and a professional networking platform. The name Apna comes from the movie Gully Boy in which the popular song- 'Apna time ayega' rocked the chart in 2019," he said.

To groom Apna into a business, Nirmit moved out of his plush home in New York, an apartment with a view of the Empire State building, Times Square and Hudson River, flowing nearby. He came to Mumbai, and then shifted to Ahmedabad. He even sometimes disguised his identity to mix with and understand the concerns faced by his target audience and make Apna more market friendly. Apna went on to become the youngest start-up to be a Unicorn in just 21 months of founding in 2019. The app addressing societal challenges around the employment market of blue-color and grey-color jobs works in 11 languages and has 50 million registered users across 800+ cities in India, supporting 500,000 employers to hire better, faster, and economically.

Mirror Reflections

Kinjal: How do you convince local investors and go about pitching a start-up to them?

Nirmit:

It actually depends upon two things that strike me. A lot of times, you will find it easy to find an anchor investor. As a founder, investment should be the hundredth thing on my mind. If my business is doing well, the investors will definitely follow. When I started my business, I did not make a pitch, but investment interest started pouring in. Once the anchor investor checks the business plan, and feels it was promising for the market, it can go to angel investors later to find money.

And investment is not just about investors willing to invest, but it's about the start-up's choices too. I used to give the investors two hours to make the decision (whether they want to invest). This decision you take from heart and brain and an investment memo should be good enough for you to read in 15 minutes and decide.

It is not just that a start-up is taking money from investors, it is also about the start-up choosing to give them a seat with them on the table. It is an attitude puzzle to fix, and it is always about partnership. At the end of the day, nobody is above others, and nobody is below anyone in this partnership. It is known that whenever there is a power differential, it creates a hole. It is also about the investor's hand-holding the start-up in problem solving, be it labor or technology.

There are companies where investors are at the top and founders have just followed investors who are far away from the markets and the start-up has gone nowhere. In some, founders are so lost in the clouds that they won't listen to the investors and touch the ground. But the companies in which founders and investors have a tight relationship, a relationship with respect for each other, and agree to disagree and listen to each other, such investment (on both sides) work out well.

Archana: How to select investors from the various pools of strategic investors, bankers, angels to get the win-win game for the business? My business may already be generating a cash flow, so should I raise money or not? Raising money can also increase my valuation in the market.

Nirmit: Remove the valuation game. At the end of the day, it is a marker. If you have cash flow, shell out 10% equity, if the growth is 200X in the investment game. At the end of the day, you are hopeful of taking 180 from that 200 by



Archana Thosar
founder Greenamnuer LLP

giving just 20. But it should not happen that you continue to be at 100 and despite that you are giving 20 to someone. That mathematics, an entrepreneur can make it. However, don't do it for the valuation unless the competition is killing you, and you want to survive, and you opt for a safety game.

Naman: We plan to grow, scale up, but how can we get similar exposure given the local, regional limitations?

Nirmit:

I have taken underlying risks. I did not take a placement to build Incone after graduation in 2009. It was a shocker for people and some thought I was not fitting into the job market. When Incone was doing well, I switched to build Cruxbot and now when this went well, I opted to study and work at Apple. I shuttled between India and the US for a year to work on Apna. With my one-year-old baby, my wife shuttles between the US and India. She is a medical practitioner in New York. All these decisions have risk factors. But you need to take risks because it is hard to let go of opportunities. However, we don't know yet if it is the right decision.

Anurita: You said you believe in destiny. Where does destiny fit in your case?



Manan Bataerwala
founder Keepsake Automations

Nirmit: I am a big believer. However, that should not stop us from working hard. Destiny is a multiplier and adds to your hard work. However, if there is zero hard work then the multiplier won't work. Only destiny won't work.

Hiranmay:

In the combination of hard work and destiny, it is also important to know when to stop. It is always easy to leave, but when the business is doing well, the gut-feeling and decision to leave—is decided by exposure and experience of an entrepreneur.

Niyati: How do you think Gujarat can be a start-up magnet, especially for unicorns working from here?

Nirmit:

I am going to give an honest viewpoint. I have started companies from Ahmedabad, from Odhav and Commerce Six Roads. My third company was in the US. After starting this company from Mumbai, because its potpourri culture offered me a good testing



Hiranmay Mahanta
CEO, I-hub

ground for my business, I shifted to Bangalore after COVID, because 150 of my 500 employees are from Bangalore. Others are scattered across Indian cities. To put things in perspective, Gujarat should make policy and implementation level efforts to bring more and more start-ups running from here.

This can be done in two ways. We will have

PICS: NILKANTH DVAE AND PANKAJ SHUKLA

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to grow more in terms of the ecosystem. Along with the government, everyone will have to contribute to doing so. We should get working on how to invite more and more start-ups not just once but again and again. I

It can be done through small gift deals. How do you give it to them? Capital in today's world is available and it is not the problem. The biggest problem is distribution. Ahmedabad has the biggest distribution market. If we can bring one or two start-ups with an offer to hand-hold them to crack the Gujarat market and give them a team to do so with the condition of setting up headquarters here, it can be done. By giving them access to the market, the government can play an important role.

Gujarat has some of the best educational institutes in India, we have some of the best industries in the world, and we have consumers too. Can we channelize distribution well to bring the Gujarat game on table for start-ups? If linked with a solid retention policy and growth strategy for the talent pool, Gujarat can be a home ground for unicorns.

Nirmitspeak

"Entrepreneurship is really a lonely journey. You really want someone to believe in you. It is like a marriage, having a partner for companionship, trusting in you. You also need friends around you as not all days are going to be the same. It is good to have people I would think about as partners, and second, if a partner brings money even better! What else do you need?"

AJAY UMAT: DID YOU THINK ABOUT SELLING APNA? TELL US THAT STORY

Nirmit: The answer is yes. We got a very good offer to make a crazy amount of money from Apna. A top-notch company CEO flew down to meet me to make that offer. I went home and talked about it with my wife over dinner. Apna is not a simple start-up, but a problem-solving effort. There was a part of me which was thinking of selling but she stopped me and asked me to think about reasons for building it - to solve a problem for companies. We do not have a lavish lifestyle and the money may have gone to donations. But we did not want to then sit at the dining table and crib about the situation in India not improving, or that there are no opportunities even when people are smart. You have the resources and distribution to use to address these problems, she said. Not using it well enough despite God providing the opportunity, will be out of a decision for personal gain. And we took the decision not to sell it.

With contribution from: Vasant Patel, Ajay Umat, Anurita Rathore Jadeja, Kinjal Shah | Guests: • Hiranmay Mahanta, CEO, I-hub • Archana Thosar- founder Greenamnuer LLP • Manan Bataerwala- founder Keepsake Automations

Nirmit Parikh