



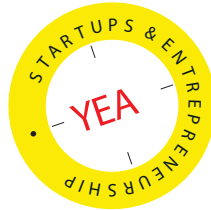
THIRUKUMARAN NAGARAJAN is an engineer and an alumni of IIM Kozhikode, who ventured into the untrodden field of farm connectivity. NinjaCart is a venture that is one of a kind. Nagarajan says more than 25 per cent of the vegetables NinjaCart sells are procured directly from farmers. The company engages farmers in various awareness programmes to educate them about NinjaCart and the benefit of selling directly to the venture. NinjaCart has collection centres across Bidurguppe, Atibelle and Mandya and has its people working in other centres like Chitradurga, Hasan and Nashik. NinjaCart Founder and CEO, Thirukumarannagarajan is among those chosen for this year's BW Businessworld Young Entrepreneurs Award. Excerpts of a conversation with him:

A DISRUPTOR IN THE FOOD SUPPLY CHAIN

THIRUKUMARAN NAGARAJAN

CATEGORY: 0-3 YRS

NinjaCart



The idea behind the startup

Our idea was to solve the inefficiencies in our food supply chain through technology and world class supply chain innovation to add value to stakeholders (farmers, retailers and supply chain partners) and change the way fresh food reaches our plate in terms of quality, affordability and accessibility. At one end, we help farmers get better prices and deal with consistent demand and on the other, we help retailers source fresh vegetables at competitive prices directly from farmers. We do this effectively at lower cost, better speed and larger scale, using an integrated supply chain, powered by technology, data science, infrastructure, and a logistics network.

Our long term target is to make safe food affordable and accessible for millions of people of this country. In the short term, our goal is to build a distribution network of a million retailers/restaurants and food service providers in the next three years, with focus on the food category.

The USP

Our USP is the world class supply chain built for India. Ourtech-enabled supply chain, with an always-connected logistics network, helps us lower cost, increase speed and eliminate waste. It facilitates getting the produce to stores in less than 12 hours at a cost that is less than that in the traditional market, with less than one per cent food wastage. The traditional supply chain takes more than 12 hours to reach stores and food wastage is more than 30 per cent.

Changing how retailers manage fruits and vegetables: In the traditional supply chain, retailers have to go to market daily, invest in logistics, manage the price and quality themselves. With Ninjacart, they can just focus on selling and delivering great customer experience and do not have to worry about procuring and merchandising.

Changing how farmers look at selling their harvest: Traditionally, farmers did not know what the demand was

and the appropriate price at which to sell their produce at the time of harvest. With Ninjacart, farmers get to know of the demand first and they can harvest crops, based on the demand. Also, farmers do not face uncertainty on the rates. 100% traceability: At Ninjacart we can trace the food 100 per cent using our RFID solutions, which makes it possible to connect a tomato in the store shelf to a farmer and how the tomato is produced. Traditional supply chains have zero traceability.

Hygiene and quality: Vegetables are handled with a "one-touch" method and transported hygienically in clean crates. This ensures that customers get clean vegetables, unlike in the traditional market.

Business model

Our business model is based on removing inefficiencies and intermediate middlemen in the fruits and vegetables (FnV) supply chain. On one hand, we help improve farmers' incomes and provide a consistent demand and on the other hand, we deliver quality, fresh and hygienically handled produce to retailers and food service providers. We buy from farmers and sell to retailers and food service providers within 12 hours.

Competition

The traditional city markets are our biggest competition. There are some startups in a similar space too. Our right to win will come from building one of the largest online platforms to help retailers and food service providers source fresh food from farmers, by building a tech first supply chain.

The way forward

We deal with one of the fundamental needs of human beings – food. The current gap in the market is the need for safe and quality food that is affordable and accessible. Irrespective of any macro changes, this basic need for customers will not change.

OURTECH-ENABLED
SUPPLY CHAIN,
WITH AN ALWAYS-
CONNECTED
LOGISTICS NETWORK,
HELPS US LOWER
COST, INCREASE
SPEED AND ELIMINATE
WASTE

MORPHEUS
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We offer efficient trade. Technology has changed the trade forever and continues to disrupt every market. Food trade will be disrupted forever using data and technology. At Ninjacart, we pioneer the data and tech revolution for food and in shaping the future of how the trade would happen.

Overseas foray

There is no focus on external markets for the next two years. In the domestic market, our model can be expanded in all cities and towns. We are currently in six cities (Chennai, Bangalore, Hyderabad, Mumbai, Delhi and Pune). We are looking to expand to 12 cities by mid-2019.

Social touch

We are able to impact farmers' lives and their families in a better way by improving their income and enabling them to put in more time with their families. We have worked with 6,000 plus farmers (at more than 120 villages across the four states of Karnataka, Andhra Pradesh, Tamil Nadu and Maharashtra) Changing the way agriculture works: Ninjacart removes price and demand uncertainty among farmers. Ninjacart communicates the actual demand and price a day before the harvest. This way farmers know their earnings before harvesting and can avoid price risk and safeguard their earnings.

With digital payments, we transfer 100 per cent money without commission directly into farmers' bank accounts within 24 hours of purchase, whereas in traditional markets, it takes more than seven days to get the money and in most cases, farmers don't get 100 per cent of their money. We are improving the safety of the food we eat, leading to less disease and a better life. We are responsible for giving safe food to the future generation.

The paradigm shift

Some factors impact the rapid change in our business. Our business, for instance, is changing very rapidly due to the faster penetration of smartphones and access to data. Moreover, consumers are demanding healthy and quality food and are willing to pay for the same. There is also a growing awareness about food wastage and progressive farming techniques

Faster evolution of the business is driven by the fact that

our supply chain is evolving faster to cater to the needs of customers, to be able to serve them at a lower cost, a faster speed and at better quality.

Tech disruptions

At this moment, these technologies don't impact our businesses in a significant way. We are in the early stage of exploring AI to improve our business decisions, understand customers, improve forecasting and reduce cost.

Idea of wealth generation

The potential market for Ninjacart is worth \$250 billion.

Since it is a daily need product, sustainability of the businesses is very high as in the case of electricity, the Internet and water.

Self-realisation


I don't think we have made it big yet. We are at the very, very early stage of possible disruption in the way food reaches our plate and creates value for farmers, retailers and end-customers.

In my personal journey – in ten years I would love to see the food supply chain turn upside down with zero information barriers and full distribution efficiency, where farmers get a fair market price. I would also love to see safe food that is affordable and accessible by the billion people in India.

Message to entrepreneurs

When the problem you are solving doesn't scare you, you are not solving the right problem. Get your business model right, before scaling the business.

Dare to dream moment

When we pivoted from B2C to B2B, everyone around us told us that the B2B fresh business model is not viable and very tough to execute on the ground. When we tried hiring people from the fresh food industry, everyone ridiculed our approach and guaranteed that our model would not scale and could never be profitable. But, we persisted and stayed on course for the last three years to turn Ninjacart into a highly scalable and profitable business. This is our dare to dream moment. 

FOOD TRADE WILL
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prabodh@businessworld.in

 @pricelessmidas