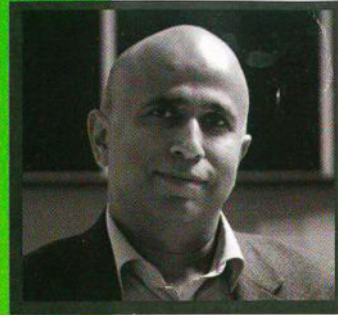


THE SMART CEO

Inspiring India

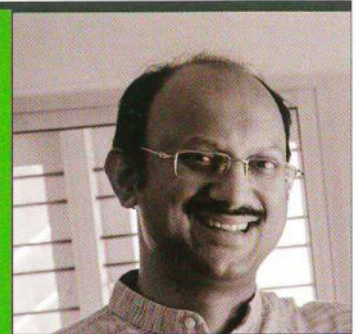
BUILDING MULTIPLE STARTUP BRANDS



Krishnan Ganesh, the serial entrepreneur, shares with us some vital lessons on brand building from his experiences at TutorVista, Bluestone.com and BigBasket.com

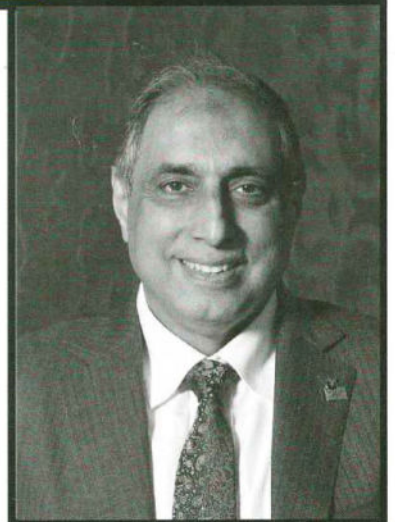
Diamonds in India's rough

Through his ambitious plan for Head Held High, Madan Padaki is working on a well thought out, elaborate plan to eradicate rural poverty in the country



THE FINER NUANCES OF SCALING UP A REAL ESTATE BUSINESS??

In conversation with Irfan Razack, Chairman & MD, Prestige Group, one of South India's leading property developers with interests in residential, commercial, retail, leisure and hospitality sectors



IN LOVE WITH BUSINESSES

Sanjay Kamrani, serial entrepreneur, angel investor and founder of Pangea3 talks about why he has slowed down his angel investment endeavors, to pursue entrepreneurship, again



KRISHNAKUMAR NATARAJAN, FOUNDER, CEO AND MANAGING DIRECTOR, MINDTREE

THE PERSONIFICATION OF A CORPORATE BRAND

In his talk at the Brand Owners' Summit organized by afaqs! and The Smart CEO, Mindtree's Krishnakumar Natarajan speaks from the heart about how brands evolve continuously, just like how people do, and why it is crucial for marketers to keep this in mind as they formulate a branding strategy

BETTING ON E-COMMERCE PACKAGING

Dynaflex, supplier of tamper evident packing material to e-commerce companies, casinos, investigative agencies and educational institutions in India, plans to raise US \$10 million in six months to fund its expansion and aims to record revenues of Rs. 100 crore by FY2017. Today, over 45 per cent of its revenues comes from the e-commerce sector

MADHUMITA PRABHAKAR

Gaurav Vora, a second generation entrepreneur and managing director of Vadodara-based Dynaflex Private Ltd. (Dynaflex), a company that supplies a tamper evident range of packing material across industries, believes that the turning point for the company was when it began capitalising on market opportunities and expanding its product vertical. "When my father, Niranjan Vora, started the company in 1985, our focus was on supplying conventional packaging material to FMCG companies. As security concerns rose, we realised that there was a need for tamper evident packaging. Today, this stands as our primary differentiating factor from other local suppliers" says Vora.

Using patented technology, the company has developed bar and serial coded envelopes and poly bags with tamper proof handles, which leave an irreversible mark when tampered with. Its other products include cash bags, packing envelopes and courier bags, to name a few. Today, while close to 45 per cent of its business comes from e-commerce companies such as Flipkart, Fashionandyou.com and Amazon, Dynaflex also supplies tamper-evident bags to companies such as Reliance and Procter & Gamble, government offices (for moving confidential documents), financial institutions, international aviation and defense services and educational institutions." Another sector that is the largest consumer of tamper evident packaging is cash-in-transit. Where there's cash, there's going to be fraud, so globally, the insurance premium

on it is very high and companies get incentives on premium if they identify ways to reduce the risk," says Vora. But, he believes that the sector in India is still at a nascent stage and is slowly evolving. "Today, the key is to expand before time, because, simply put, a product cannot be shipped without being packaged. That's why, we're expanding our manufacturing capacities and investing further in machinery," indicates Vora. To fund these expansions, Dynaflex is planning to secure US \$10 million in the near future. "We've already started the fund raising process because the customers are not going to wait for us. Ideally, the deal should close in six months," notes Vora. Currently, the company operates two plants in Halol, Gujarat, with the second plant being setup recently. In the next five years, it plans to setup at least two more plants, one each in the northern and southern region. With an employee base of 250 and with over 100 clients on board, in FY14, Dynaflex recorded annual revenues of Rs. 60 crore – Rs. 70 crore. In the next 18 to 20 months, it plans to take this number to Rs. 100 crore. Subsequently, it plans to touch the Rs. 500 crore revenue mark in the next five years.

Trusting the right name

"In India, the biggest drawback is that companies don't honour their commitment when it comes to production and reliability. This is also because of unavoidable factors such as market dynamics and government regulations. But, over the last 30 years, we've built a strong trust network and that is as a huge advantage for us," indicates Vora.

He goes on to add that, though it's easy for another player to replicate the technology and process adopted by the company, the quality is not the same. "That's why, we encourage our clients to visit the plant and see how the process is carried out, so that our pricing is justified and the clients make a well-informed decision before partnering with us as well," he explains.

So, how does his team identify potential clients to partner with? Vora states that they first study the sector completely, identify the risk in that sector, find out how Dynaflex can add value, check if the business is scalable and then come up with solutions to curtail the risk. "For example, when we entered the loan against gold segment, we noted that the companies in this space used

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(L-R) SIDDHARTH VORA (DIRECTOR), NIRANJAN VORA (CHAIRMAN AND MANAGING DIRECTOR), GAURAV VORA (DIRECTOR), DYNAFLEX PVT. LTD.

paper envelopes to stack gold and move it. Today, we've become the industry standard for secure packaging," he states. On one hand, as industries become more prone to fraud and theft when transporting goods from one place to another, the challenge for Dynaflex lies

in constantly innovating and identifying ways to minimise that risk. On the other, as is the case with several companies, manpower hiring and training is an arduous task. "To tackle this we've partnered with the National Institute of Training to help our employees come up to speed," he says.

Looking at the future

Vora states that the export market for Dynaflex is growing by 100 per cent year-on-year. Currently, it exports to 40 countries across the world, including Africa, where it supplies tamper evident envelopes for educational institutions and during elections. "Though the risk is much more in Africa than in India, it offers a high growth potential. We will be setting up a factory in Africa in the next 18 months," he shares. The company will also look to further its product lines including developing packaging material to move furniture. Dynaflex is in the process of partnering with a British protective packaging company to expand its operations worldwide.

In over two decades of operating in the packaging space, when asked what's the biggest lesson he has learnt, Vora says, "During the early years, several times we let opportunities go by because we wanted to focus on one product vertical only. Then, when our business began to stagnate, we understood that we have to ride the wave that comes in front of us and not be stuck in one place. That applies for today and for the future."

WHAT NEXT?

- Raise US \$10 million in the next six months to fund expansions, add more product lines
- Setup at least two more manufacturing units, one each in northern and southern region, in five years and setup a factory in Africa in 18 months
- Record turnover of Rs. 100 crore in 18 – 20 months and Rs. 500 crore in five years
- Increase R&D investments to up to Rs. 3 crore from next year onwards

Gaining a first mover advantage

At any given time, Dynaflex works with four to five industries to identify the opportunity they offer for the company to grow. This way, it stays ahead of the competition and identifies a need beforehand.

In fact, the company is currently in the process of developing packaging material for the movement of bio-hazardous samples. "According to a UN regulation, the samples should be stored in secure, secondary packaging material that will not burst even at an air pressure of 30,000 feet. Our product is in the approval stage now and will soon secure clearance," says a confident Vora. Typically, the company invests Rs. 1 to Rs.1.5 crore on research and development year-on-year, but starting next year, it is looking to invest up to Rs. 3 crore.