

## Technology solutions for SMEs

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25-year-old entrepreneur provides inventory and data management software to streamline IT systems

**Anupama Chandrasekaran**

Chennai: Nikhil Gandhi doesn't store all phone numbers on his cellphone. He usually enters them in a diary that has gradually grown to hold more than 4,000 phone numbers.



It is an unlikely old-world quirk for this 25-year-old information technology entrepreneur running a company that focuses on inventory and data management software for small and medium-size companies.

“There are few companies looking at this segment since most businessmen in this category are cost conscious, *kanjoos* (miserly) and wouldn't want to spend crores of rupees on a system,” says Gandhi, who claims to have collated contact information of thousands of ancillary companies in Chennai's booming auto sector while completing his MBA at Great Lakes Institute of Management, 55km outside Chennai.

His biggest fear is losing his mobile phone and the numbers within it. A mistake he cannot afford and hence his diary of contacts.

Gandhi and his three friends, engineering graduates who worked in the IT sector in Pune, Maharashtra, started Pineapple Innovative Solutions Pvt. Ltd in 2009 by pooling in Rs. 6 lakh of their savings.

An initial misstep in targeting political parties to set up their websites yielded no revenue and the friend's switched focus to small firms struggling for an IT system that, for instance, tracks products seeing higher demand. This information prevents underproduction of goods that could result in a loss of business and revenues.

“We are constantly looking out for companies who have scaled beyond the smaller model and getting some number of pilot customers on board and shows us a wide variety of possibilities and not just the low hanging fruits,” says Rajesh Srivathsa of Ojas Ventures, a \$35 million India-focused early stage venture fund. “But honestly, I don't know if businesses based on enterprise resource applications are compelling enough.”

Gandhi, who last year zeroed on a Rs. 10-lakh, one-year MBA education programme, found the college to be a great networking platform where a visiting faculty helped him win one of his first overseas clients, a US university wanting to link up different departments and track student information.

The Pineapple Group assured nearly 25% cost savings to the university by internalizing a payment gateway for their bookstore, previously managed by someone else for a fee. They also advised the university to outsource delivery of books, getting rid of overheads of maintaining a van and a driver. This project worth Rs. 7 lakh will hopefully help them get more deals that will hasten the company's target to achieve a

revenue of Rs. 3 crore by 2012 from the current Rs. 50 lakh. Overseas projects garner four times as much as Indian contracts.

Three month ago, even as Gandhi wrapped up his final term at Great Lakes by partying away through weekend nights with his classmates, largely drinking mocktails as he doesn't consume alcohol, he could not help hope that he didn't have this Rs. 10-lakh baggage in the form of an education loan.

"We may not be ready yet to waive loans but we may think of investing in these ideas and take a stake in companies incubated at Great Lakes," says S. Sriram, executive director at Great Lakes Institute of Management.

The company's technologically inclined founders take several measures to keep afloat. Only two promoters who devote full time to the venture are on the payroll besides the seven-member software development team. And in the absence of industry knowhow, they hired two consultants with nearly two decades of experience in the manufacturing sector to talk and convince clients.

The idea is to target manufacturing companies in India and streamline IT systems at a relatively lower cost than systems offered by SAP and Oracle. But that doesn't prevent Pineapple Group from taking on low-paying jobs of website development as it pays monthly bills.

"My parents tell me that I am not Azim Premji (of Wipro) or Narayana Murthy (of Infosys)," says Gandhi, whose grandfather and father ran grocery stores that had seasonal *rakhi* or a firecracker counter in Pune. "They don't understand the risk and the benefits. They don't understand that five years down the line, this business will give me 10 times as much money as the job."

## **Quick Facts**

### **Company Name**

Pineapple Group

### **Founder**

Nikhil Gandhi and friends

### **Industry**

Automotive and manufacturing

### **Product Company or services or both**

Product and Services Company

### **Founded**

November 2009

### **Number of founders and employees**

Three founders, six employees

### **City**

Pune

### **Investment to date**

Rs. 6 lakh, mostly self-funded and some from family

### **The next closest milestone they plan to accomplish**

Reach a revenue target of Rs. 1 crore by end of 2011

*Pineapple Group was among the finalists of the NEN First Dot Student Startup Showcase.*

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