

Flipkart: The Cradle of Indian Startups

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Abstract

In India, companies and startup ecosystems have grown extraordinarily over the last decade. India is on the verge of becoming the third-largest startup economy in the world. Financial technology, e-commerce, health care, education, retail, consumer products, HR, media & entertainment, advertising, and marketing are some of the prominent industries where startups are emerging by leaps and bounds. Although the startup founders are from diverse backgrounds this study focus on the aspects of the culture at Flipkart which helped in developing strongly motivated employees with entrepreneurial mind-sets, who after leaving Flipkart implemented innovative ideas at quick pace and founded start-ups which has grown remarkably in the recent years and has the potential to rise to prominence in the global economy.

Keywords: Entrepreneurship, Startup, Unicorns, E-commerce, Startup India.

Introduction

The liberalization done by India opened the doors of globalisation and resulted in significant interactions with the world economy which in turn facilitated integration with the global innovation and entrepreneurship networks. The success of e-commerce giants like e-bay, amazon motivated many founders to launch their own e-commerce startups in India. One of the most notable startup launched in 2007 was Flipkart Private Limited, an Indian e-commerce company headquartered in Bengaluru, India. It was founded by IIT Delhi batchmates Sachin Bansal and Binny Bansal, who were former employees of Amazon. Flipkart initially focused on online book sales with country-wide shipping. But slowly grew in prominence and started selling a wide variety of products online like Amazon and become one of the biggest e-commerce companies in India. The extraordinary success and growth of Flipkart provided the initial sparks and motivation to many of its employees to start their own ventures which led the formation of the Indian innovation and entrepreneurship ecosystem. India now has one of the largest innovation and entrepreneurial ecosystems in the world, with a global integration on finance, technology, human resources, and administration. Flipkart is well renowned for its entrepreneurial culture. Similar to Amazon and eBay in Silicon Valley, USA, in India Flipkart also had a large number of incredible talented employees who went on to create great businesses after leaving Flipkart. As per a study, more than 250 startups have

been founded by former employees of Flipkart and it would not be an exaggeration if Flipkart is called the cradle of Indian startups. The study focuses on the well-known ventures of Flipkart employees which span a wide range of industries, and how Flipkart aided in their founding.

Need of the Study

The growth of Flipkart and subsequent rise of ventures started by its employees contributed significantly in developing Indian startup ecosystem. It led to ushering in technological disruptions in diverse fields such as e-commerce, healthcare, financial tech, banking and retail. It is needed to study about such startups and role of Flipkart in facilitating their inception.

Objectives of the Study

The objectives of this study are to chart the prominent ventures founded by former Flipkart employees and the role of Flipkart in evolution of startup ecosystem in India.

Flipkart and Startup Ecosystem

Former Employees of Flipkart who are more famously called “Flipsters” or “Flipkart Mafias” are credited with starting more than 250 startups in India which subsequently played a key role in developing startup ecosystem in India. The skill set they bring at the time of their selection in the company supplemented with the exposure and technical learnings at Flipkart as well as favourable environment at Flipkart played a vital role in developing entrepreneurial mind-sets in its employees. The main factor instrumental in their future success was the confidence they gained by handling large projects and large teams at Flipkart. Working together as teams and facing the challenging work environment together as teams helped in developing strong friendship and lasting relationships with co-workers. The strong bonds developed between them made it easy to find cofounders who share the same passion. The success of their ventures can be attributed to the diversity of the skill-set of such co-founders which is further facilitated by favourable physical, cultural, and economic infrastructure of India, which improves drastically in last decade.

Flipkart has been in operation for long time, employing thousands of people since its founding and currently boasting total employee strength of 27,000-of which 8,000 are full-time employees, along with 19,000 delivery boys and other employees-this kind of entrepreneurial reach is self-evident. The fact that the Flipkart crew is made up entirely of IIT and IIM graduates is another likely factor that contributed to the startup ecosystem. Their knowledge in domains like product management, design, marketing and other areas has been instrumental in enabling them to comprehend entrepreneurship and have problem-solving skills. Together, all of this gave them the confidence to launch their own businesses. (1)

Flipkart hired people with traits such as entrepreneurial zeal good problem-solving skills, high drive for action, execution and customer orientation. What drives Flipkart employees to start their ventures is embodied in the culture of Flipkart. Important factors which enabled entrepreneurship are-a) Flipkart hires employees with entrepreneurial abilities. b) It gives great emphasis on meritocracy. c) Provide fact paced learning and growth opportunities. d) Provide exposure toward handling large scale task and large teams. (2)

Over the years Flipkart has become the networking place for likeminded, motivated talented budding entrepreneurs and startup enthusiasts who after acquiring learning were willing to take risks and ready to take a leap to follow their own startup dreams.

This also echoed in words of Bansal, who said, “It is a bit disappointing but at some level it's a great validation for the company culture if some of these people go out and become successful at their ventures. (3)

Flipkart, India's most-celebrated startup has also grown quite a few employees into successful entrepreneurs. Besides strong business model and strategies, undeniably, these companies have also enjoyed the network and recognition that comes with the “ex-Flipkart tag.”(4)

In 2018 Flipkart launched startup fund to back Next-Gen Innovations. On this major initiative, Group CFO, Flipkart Emily McNeal said, “We are proud of the fact that as a home-grown company, Flipkart's innovations have helped create much of the ecosystem on which the Indian e-commerce industry has thrived over the past decade, be it in supply chain and logistics, after sales and support, or technology. Those efforts set the stage for the growth of e-commerce in the country, and we're seeing startups today trying to solve unique challenges that could help bring millions more into the digital fold, helping contribute to the ‘Digital India’ program. With this initiative, we're delighted to support such innovative early-stage startups that are working on next-gen technology in & around our ecosystem. The aim is to seed innovation that is good for India and which promotes digital inclusion in a variety of spaces, by enabling startups to focus on bringing their ideas to life and scaling them.” (5)

The company's culture matters a lot for developing entrepreneurial intention in its employees. Flipkart is known to have a very open culture where every employee is encouraged to present their ideas, thus instilling Entrepreneurial spirit.

Ranjith JN, an ex-Flipsteridentified following attributes of Startup culture at Flipkart- a) Founder's risk-taking ability. b) Open work culture and flat working structure. c) Acknowledging the mistakes made and more importantly learning from them. d) Flipout Fridays and Town Hall meetings-which brings ownership and responsibility in employees. (6)

India's performance on various key determinants of entrepreneurship drastically improved over time which made it leading business-friendly economy.

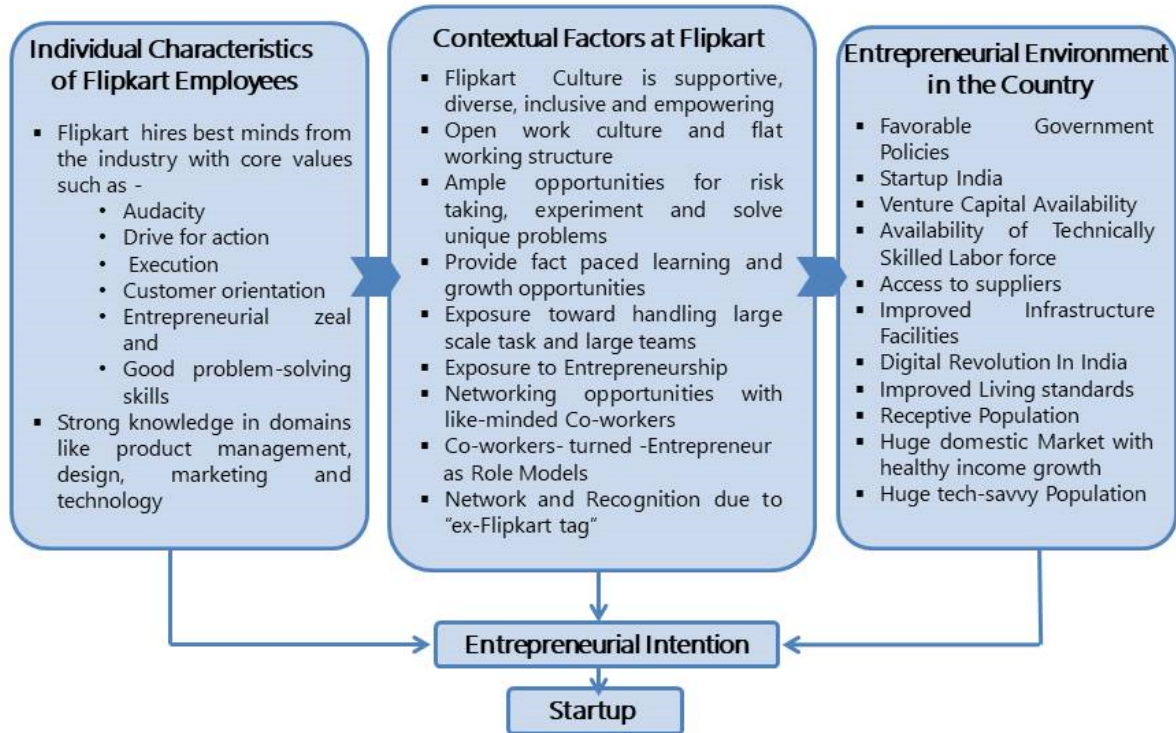
Determinants of entrepreneurship are the factors that affect entrepreneurial performance. Various determinants of startups and entrepreneurship development can be divided into three categories: a) Regulatory framework, b) Values, culture and skills, c) Access to finance, market, R&D and technology. (7)

The youth are more inclined to launch their own business than work for MNCs for a variety of reasons, including: a) Young people are more willing to take risks and are ready to tackle even the most difficult tasks. Youth are equipped with the self-assurance, knowledge, teamwork abilities, and other abilities that are essentially need to flourish in the corporate world. b) They put forth a lot of effort and have a can-do attitude. They desire to put in a lot of work and anticipate receiving rewards on par with those efforts. The MNCs require commitment, but they are unable to reward it, which leads to a sense of frustration. c) They rarely have money as their ultimate goal; instead, they want to help address the world's issues and strengthen their country. They labour diligently and fervently to complete their objective because they desire to provide value. (8)

The factors which facilitated in building and developing entrepreneurial intention in Flipkart employees can be summed as: a) Individual Characteristics of Flipkart Employees. b) Contextual Factors at Flipkart. c) Entrepreneurial Environment in the Country.

Flipkart hires best minds from the industry with core values such as –Audacity, Drive for action, Execution, Customer orientation, Entrepreneurial zeal and Good problem-solving skills with strong knowledge in domains like product management, design, marketing and technology. The strong skill set of employees further complimented by supportive, diverse, inclusive and empowering Flipkart Culture. Employees are given exposure in handling of large scale task and large teams. The Open work culture and flat working structure provided ample opportunities for risk taking, experimentation and solving unique problems which resulted in fast paced learning and growth opportunities. Employees get to network with like-minded Co-workers, who too are inspired by the success of other Co-workers-turned-Entrepreneurs or former-employees-turned-Entrepreneurs. The Network and Recognition due to “ex-Flipkart tag” was also helpful when they are ready to tread the path of entrepreneurship. During the period India is also emerging as hub of Entrepreneurship due to favorable government policies and initiatives such as Startup India. Venture Capital and Technically Skilled Labor force is now easily available for startups. Infrastructure Facilities are also improving. India is at the forefront of digital revolution. Rise in disposable income improved living standards of the people and tech-savvy and receptive population created a huge domestic Market. The synergy of these factors fired entrepreneurial zeal in many employees and provided the necessary inspiration, motivation to pursue the path of entrepreneurship.

Enablers of Startups at Flipkart



Prominent startups by Former Flipkart Employees

The Flipkart startup ecosystem consists of Startups founded by former Flipkart employees who turned entrepreneurs and startups funded by former Flipkart employees who turned Investors. As per a study, more than 250 startups have been founded by former employees of Flipkart. Currently, former Flipkart employees who become entrepreneurs are ruling the startup ecosystem. Some of the prominent startups by Former Flipkart Employees are as follows:

Exotel: Launched in 2011, it is a cloud telephony platform that powers communication for enterprises, startups and small and medium enterprises in India and Southeast Asia. It is founded by Shivakumar Ganesan (Former Vice President of Product Development at Flipkart), Ishwar Sridharan, and Siddharth Ramesh, T Rajeswari, Sachin Bhatia.

SellerworX: Launched in 2014, it is a software solutions company, which provides a cloud-based platform and services for retailers and brands to manage their e-commerce business on marketplaces like Flipkart, Amazon, Ebay etc. It is founded by VenkatPotluri and Ganesamurthi G (both directors at Flipkart), was acquired by Capillary Technologies in 2016.

Spinny: Launched in 2015, is an online platform for buying and sellings of used cars. It is Founded by Mohit Gupta (Former associate director and head Operations at Flipkart), Ramanshu Mahaur and Niraj Singh.

Pianta: Launched in 2015, it is a mobile platform, which connects service providers with customers. It is founded by Nitin Agarwal (Former lead engineer at Flipkart).

PhonePe: Launched in 2015, it is a app-based, card-linked wallet for consumer's payment platform, using which you can transfer money using UPI, recharge phone numbers, pay utility bills. It is founded by Sameer Nigam (Former SVP Engineering and VP Marketing at Flipkart), Rahul Chari (Former VP Engineering at Flipkart) and Burzin Engineer.

Playment: Launched in 2015, it is an AI startup for businesses to help machine learning. It is founded by Siddharth Mall (Former senior business analysts at Flipkart) & Ajinkya Malasane (Former senior business analysts at Flipkart).

Runnr: Launched in 2015, it is a B2B platform offering hyper-local logistics service to food ordering, pharma, grocery, e-commerce companies. It was acquired by Zomato in 2017. It is founded by Aravind Reddy (Former Senior Business Analyst at Flipkart), Arpit Dave (Former Business Analyst at Flipkart), Gnanesh Chillukuri, Mohit Kumar, Mukunda NS and Vatsalsinghal.

GrabOnRent: Launched in 2015, it is a product rental marketplace that lets you rent furniture, appliances, air coolers, air conditioners, laptops, and fitness equipment & delivers them to your doorstep. It is founded by Manish Sugandhi (Former Business Analyst at Flipkart), Shubham Jain, Aditya Sharma and Nikunj Agarwalla.

Rapido: Launched in 2015, it is an app-based platform for two-wheeler ride-hailing services. It is founded by Aravind Sanka (Former Supply Chain Finance Business Partner at Flipkart), Pavan Guntupalli and Rishikesh R.

Udaan: Launched in 2016, is a Business-to-Business (B2B) e-commerce platform connecting retailers, traders, wholesalers, manufacturers, importers. Its founded by Amod Malviya (Former head of technology at Flipkart), Sujeet Kumar (Former senior executives at Flipkart) and Vaibhav Gupta (Former senior executives at Flipkart).

Curefit: Launched in 2016, it is a health and fitness company, offering digital and offline experiences across fitness, nutrition, and mental well-being. It is founded by Ankit Nagori (Former chief business officer at Flipkart) and Mukesh Bansal who is the founder of Indian fashion e-commerce company Myntra, which is acquired by Flipkart in 2014.

Hansel: Launched in 2016, it is B2B enterprise software that deploys real-time Nudges to drive feature adoption and address user drop-offs, at scale. It is founded by Varun Ramamurthy (Who worked in the product department at Flipkart), Parminder Singh (Who

worked in the iOS team at Flipkart) and Mudit Mathur (Former developer heading the core mobile team at Flipkart).

Homefury: Launched in 2016, initially it is a pure marketplace model connecting vendors and designers to customers but later evolved to give in-house end-to-end design solutions by providing furniture through trusted partners. It is founded by Vinay Indresh (Former business finance head at Flipkart), Arnab Saharoy (Former digital marketing manager and social media marketing head at Flipkart-owned Mynt) and interior designer Madhu Sarangi.

Groww: Launched in 2016, it is an India-based Y Combinator backed online investment platform which offers paperless investing options by letting you buy and sell mutual funds online. It is founded by Lalit Keshre (Former product manager at Flipkart), Harsh Jain (Former product manager at Flipkart), Neeraj Singh (Former software development engineer at Flipkart) and Ishan Bansal (Former corporate development manager at Flipkart).

Arzo: Launched in 2016, it is a reverse-auction platform that sends demand from customers, who see online prices, to select top retailers. Retailers bid for this customer with their prices and beat prices on other online platforms. It is founded by Khushnud Khan (Former assistant director at Flipkart) and Rishi Raj (Former product manager at Flipkart).

Vogo: Launched in 2016, Vogo is short for “Vehicle on the go”. It is a tech-enabled personnel mobility (scooter and bike rental) solution provider. It is founded by Anand Ayyadurai (Former Associate Director at Flipkart), Balakrishnan Padmanabhan and Sanchit Mittal.

Udhyam Learning Foundation: Launched in 2017, to encourage self-employment and grassroots level entrepreneurship. It is founded by Meekin Maheshwari (Former head of technology, who in 2013 became chief people officer at Flipkart) with co-founder Krishnan Ranganathan.

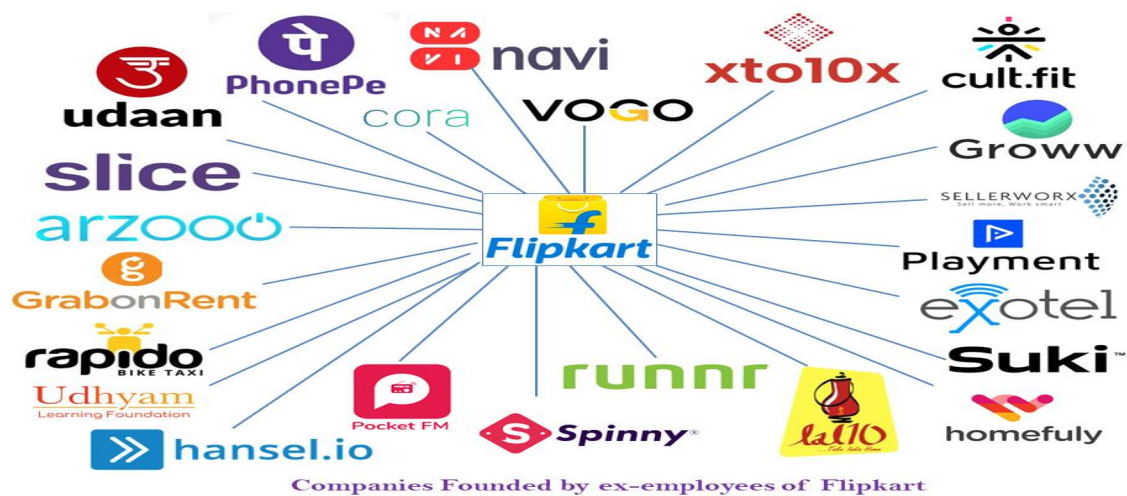
Suki.AI: Launched in 2017, it is an AI-powered, voice-enabled digital assistant for doctors. It was designed to help healthcare organizations with their administrative tasks. Suki helps physicians in dictating notes, retrieving info, and works with EHR. It is founded by Punit Soni (Former CPO at Flipkart) with Anshu Sharma and Karthik Rajan.

Navi Technologies: Launched in 2018, it operates in BFSI (banking, financial services, and insurance) sector and offers digital loans, home loans, mutual funds, health insurance and micro-loans. It is founded by Sachin Bansal (Former co-founder of Flipkart) and Ankit Agarwal.

Parrhai: Launched in 2018, it is an Artificial Intelligence-based system, which enables students to learn at their own pace, in the comfort of their home, and avoid the system of coaching and tutoring. It is founded by Anshu Gupta (Former product manager at Flipkart), Prashant Anand and Akash Chandra.

Xto10XTechnologies: Launched in 2018, it offer tech tools and a learning platform companies, basically startups, scale their operations from 1-10. It is founded by Binny Bansal (Former co-founder of Flipkart), Saikiran Krishnamurthy and Neeraj Aggarwal.

Pocket FM: Launched in 2018, is an online platform for streaming podcasts and audio books. It is founded by Nishanth Srinivas (Who worked in analytics and operations at Flipkart), Prateek Dixit (Former software Development Engineer at Flipkart) and Rohan Nayak.



Conclusions

The journey of Flipkart since its launch is quite remarkable. The astounding success it achieved over the years has motivated many of its employees to replicate the same by putting to use their learning, management skills and insights acquired at Flipkart to venture out to launch their unique startups.

The Motivational stories of “pioneers” who followed the uncertain path with strong passion and determination and goes on to create history out of it were always stimulating and would certainly boosted the zeal and enthusiasm of budding entrepreneurs. The success stories of former Flipkart employees, who launched and scaled their distinctive businesses, will undoubtedly, continue to inspire aspiring entrepreneurs.

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