

Bits to Billions & The Chief Value Officer

An Entrepreneurial Mindset

23<sup>rd</sup> September 2023



## The evolving Economic landscape in India underpinning Unicorn Success and the conventional role of CFO as a controller

 Rapid economic growth driven by IT and software services

Mid to Late – 1990s

### **Early 1990s**

- Government begins liberalization policies
- Reduction in industrial licensing
- Encouragement of foreign investment
- Securities & Exchange Board established

## Conventional Role of a CFO

#### Roles:

- Controller
- Performance Manager



# The evolving Economic landscape in India underpinning Unicorn Success and the evolving role of CFO into a strategic business partner

India's first Unicorn – InMobi reaches a valuation of US\$ 1 Bn in 2011

General Elections

 Economic reforms aimed at improving the ease of doing business in India

2014

Good & Services Tax implemented

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2017/18

CFO as a strategic business partner

### Early 2000s

- Information Technology Act enacted
- GDP growth surpasses 8%
- Country becomes known as an outsourcing hub for IT and BPO services

2010s

Launch of "Digital India" to promote digitalization

2016

Demonetisation of high-denominated currency notes to promote digital payments

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#### Roles:

- Controller
- Performance Manager
- Co-Strategist
- Value Manager





Global Financial

Crisis

2008

# The evolving Economic landscape in India underpinning Unicorn Success and the transition of the CFO to a Chief Value Officer(CVO) in a BANI world

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- Trade tensions between US-China
- Climate Change
- Corporate tax cuts

2019

86

- COVID-19 Pandemic recovery and economic rebound
- Significant FDI inflows in technology, e-commerce, and renewable energy
- Increased adoption of digital solutions

2021

2020

- COVID-19 Pandemic
- Food Security, Government Protectionism Policies
- Country emphasizes selfreliance through "Make in India"

2022

Divestment of public sector assets,
Privatization Focus

100

Transition to

Chief Value Officer

to further elevate value

contribution through an integrated mindset

#### Roles:

- Assurance Advocate
- Business Transformer
- Sustainability Ambassadors
- Data & Digital Champions
- Economists



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Journey to 100 Unicorns

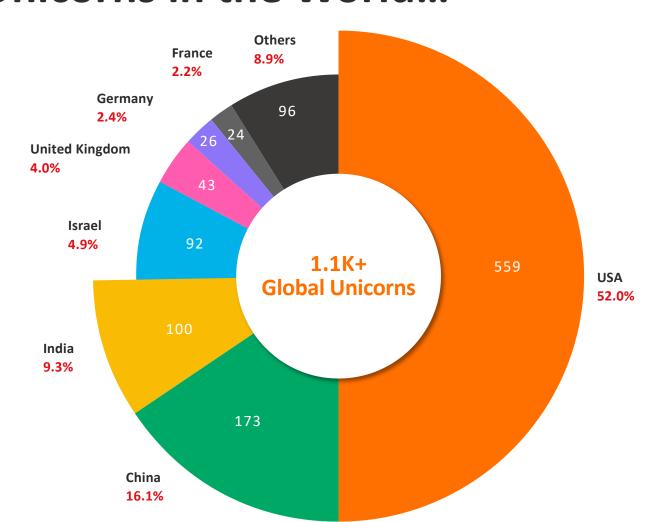
## 76% of the Indian startups attained

Unicorn status since 2019 with effective partnership





## ...making India home to the third highest number of Unicorns in the World...



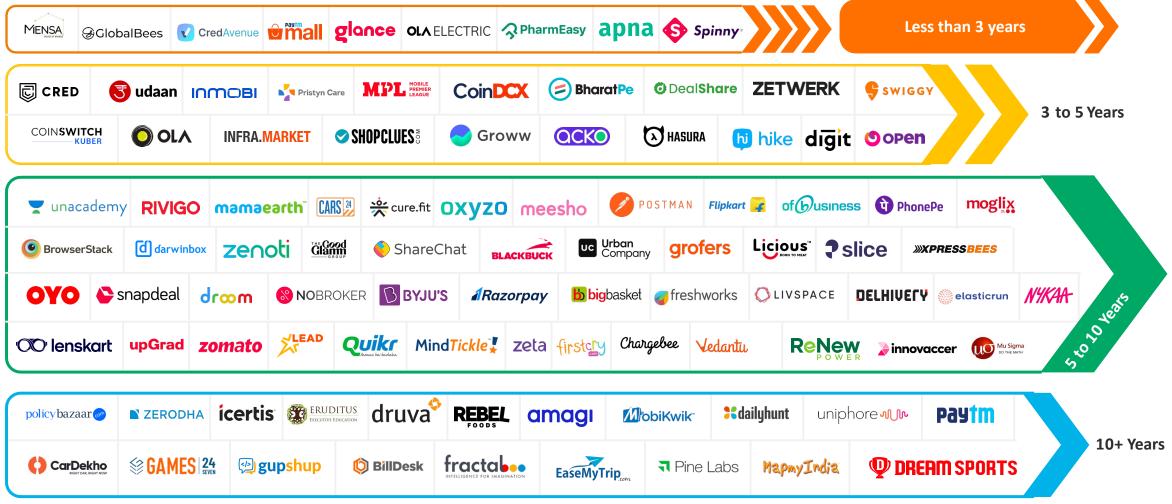
Year-on-year growth of unicorns in India (300%) is higher than China (267%) between 2020 and 2021.

World's third largest startup economy, India, is far behind the unicorns minted in countries like the US and China.

In the past three years (2019 to 2021), on average India produced two unicorns every month.



## ...with many startups achieving Unicorn status in the growth stage



## India's Unicorn growth has been hinged on M&As with 326 startups acquired to date; 90 acquisitions during 2021...





## ... and backed by credible investors

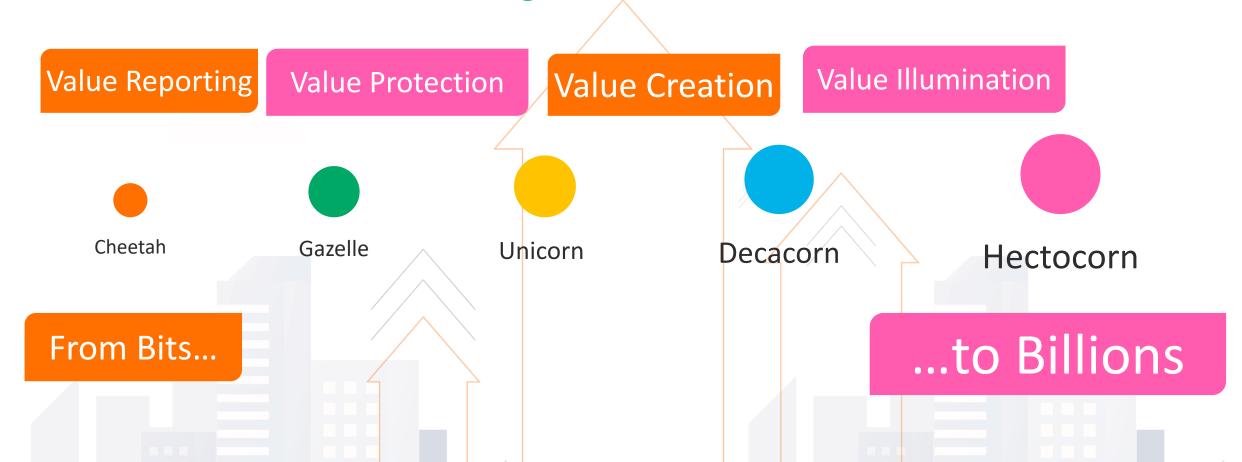
	Investor Origin	Total Number Of Unicorns Backed	Notable Unicorns Invested In
TIGERGLOBAL	USA	35	Groww OOLA ?slice zomato
SEQUOIA 😃	USA	29	Clamm SharatPe BYJU'S MIPL MOBILE PREMIER LEAGUE
SoftBank	Japan	19	OOLA PAYTIN SWIGGY MENSA
ACCEL° PARTNERS	USA	13	ShareChat Chargebee amagi
INOVEN	India	12	of (b) usiness OYO ? PharmEasy ZETWERK
TRIFECTA CAPITAL	India	10	RIVIGO UC Urban Licious Glamm
ALPHA WAVE	USA	10	VERSE meesho KLEAD PREAMSPORTS
Lightspeed	USA	9	darwinbox   GlobalBees   CredAvenue  CredAvenue
STEADVIEW CAPITAL MANAGEMENT	UK	9	Chargebee DELHIVETY UC Urban Company NYKAA
DST GLOBAL	USA	8	BYJU'S CARS OLA SWIGGY
NORWEST	USA	8	MENSA amagi zenoti \$swiggy
NEXUS venture partners	USA	8	druva Nasura vnacademy postman

67% of the top 10 Indian unicorn investors are **US-origin.** 

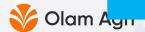
**Tiger Global** Management has invested in 35% of the Indian unicorns, highest among other investors.



Partnering as a Chief Value Officer



Demographic Dividend, Digital Revolution, Entrepreneurial Spirit, Investment Ecosystem





Cheetah

Gazelle

Jnicorn

Decacorn

Hectocorn

### **Early to to Growth Stage**

- a) Early Stage
  - Idea conceptualization
  - Minimum viable product
  - Seed funding secured
- b) Startup Stage
  - Product tested in the market
  - Secures Series A funding



- Establish **financial controls** and accounting systems & processes; relevant KPIs
- Engagement with early-stage investors; creating a foundation for the valuation
- Capital acquisition & efficient management of financial resources; ensuring liquidity





## **Growth to Maturity Stage**

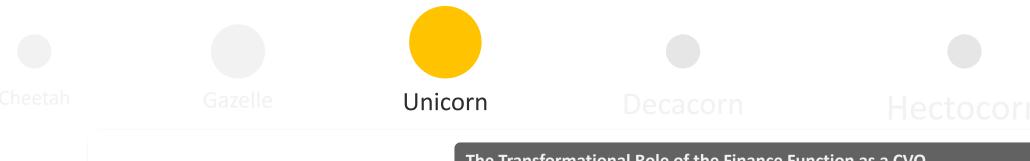
- a) Growth Stage
  - Expands into new markets
  - Secures Series B funding
- a) Maturity Stage
  - Market dominance
  - Secures Series C and D funding; Potential IPO



#### The Transformational Role of the Finance Function as a CVO

- Clear path to profitability; refining the financial strategy
- Mergers and Acquisitions; financial modeling, valuation expertise, due diligence, financial storytelling
- Data driven decision making; data analytics and insights to support expansion plans





### Unicorn

- Valuation surpasses US\$ 1 Bn
- Industry leadership position



#### The Transformational Role of the Finance Function as a CVO

- **IPO planning and readiness**; investor engagement on growth strategy, including expansion plans, market entry, product development etc. to justify a higher valuation
- Benchmarking to compare financial metrics to comparable companies; valuation measuring up to peers
- Management of substantial capital resources and funds allocation; sources and uses of funds
- Compliance focus and building and protecting reputational capital













#### **Decacorn**

- a) Valuation exceeding US\$ 10 Bn
- b) Greater growth and market dominance

#### Hectocorn

- a) Valuation of over US\$ 100 Bn
- b) Particularly tech giants



#### The Transformational Role of the Finance Function as a CVO

- Sustaining a high valuation; Profitability and margin expansion
- M&A and portfolio management; strategic growth initiatives
- Investor relations excellence; unique value proposition to support a premium valuation



# How Finance can partner to overcome the challenges Unicorns face

### **Entrepreneurial Mindset**

- Mentorship and Advisory Services
- IPO Support
- Risk Management
- Capital Management
- ESG Initiatives
- Government and Regulatory Liaison

## **Unicorn Challenges & Opportunities**

- Sustaining high valuations
- Achieving profitability while maintaining growth
- Intense competition & market volatility
- Regulatory challenges
- Operational scaling
- Global expansion
- Brands and reputation management
- Tech ecosystem changes

## **Chief Value Officer**

- Capital & performance management
- Profitability analysis
- Market intelligence
- Compliance & risk management
- Cost optimization and strategic partnerships to access new markets
- M&A support
- Crisis management
- Digital transformation

