Adding value to telecom

Computer engineer Rahul Gupta leveraged his experience to launch a ₹61 crore company that offers value-added products and services to users across the world.

Rahul Gupta
32 years
Company
BlackNGreen
Headquarters
Chennai
Seed capital
₹2 crore
Age at starting business
29 years
Source of funds
Personal savings
Turnover in the first year
Nil
Present turnover
₹61 crore

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We launched
BlackNGreen in 2011, offering our products and services across Southeast Asia, the Middle East and Africa. We got our first customer in 2012.

Our products, ranging from entertainment to religion and current affairs to music are available in 50 countries. We have revenue sharing agreements with six telecom companies.

I have always believed that challenges bring out the best in a person. And, the challenge in the telecom sector was to redefine the value-added services (VAS) space with a range of products and services that would allow users to communicate more effectively. By 2011, we had established a product line that was both innovative and practical with the launch of Chennai-based BlackNGreen Mobile Solutions (BNG). Today, in just over two years, we are a ₹61-crore company with a net profit of ₹48 crore for 2012-13.

The journey, however, wasn’t as easy as it seems to be. I graduated in computer engineering in 2004 and during the next few years I worked with companies operating in global business development, product development and innovations and strategic partnerships, to understand how the industry functions. While working, I also completed my MBA in Marketing and Operations from Great Lakes Institute of Management in Chennai. The VAS segment was gaining traction, but it lacked innovation and creativity. I saw an opportunity to launch services and products that would.

It took me almost three years (between 2008 and 2011) to bring my ideas to life. I had, meanwhile, teamed up with a friend and the co-founder of BNG, Karthik Shankar, who had done his MCA and had a wealth of experience in the VAS space, to work on a voice-morphing product. Initially, voice morphing was a tough idea to execute, more so, as we were trying to link it with the telecom space. But the idea was unique: It would allow you to speak in a voice of your choice, say, of Mickey Mouse, at the press of a button — a plug-and-play solution, that could be accessed by anyone with even a basic mobile phone. And, Magic Voice was to become one of the most successful stories in the value-added services segment the world over.

Subsequently, we also developed the innovative ‘Magic’ line of products. The Magic Ambliance, for instance, enables subscribers to speak with a background sound of their choice. With Magic Feedback, a user can record his statement in a changed voice and send it across to anyone, without having to reveal his identity.

Finally, in 2011, we were ready to setup shop and funded the venture on our own with ₹2 crore seed capital. As our earnings increased, we reinvested every penny back in the business. To begin with, we were not looking at the Indian market, but wanted to tap the opportunities in other markets across Southeast Asia, the Middle East and Africa. It was very tough to connect with telecom companies and it took us a good nine months to sign our first customer in February 2012. Today, our product and services offerings — from entertainment, religion and current affairs to music, astrology and movies — are available across 50 countries.

Of course, we had our share of challenges, but the opportunities were aplenty. The biggest challenge was managing our finances and allocating funds effectively. Usually it takes around 8-9 months for a project to start earning revenues, but the deployment, hardware and travel costs had to be incurred upfront. Then, there were hurdles in the form of local laws that made transfer of money difficult. We had to work through a lot of legalities and even set up local offices in many countries to harvest our earnings. Understanding the financial and regulatory framework of every country was also a huge challenge, but having gone through the grind, today, we have learnt how to manage our finances and fund flows in the most efficient manner possible.

It is a tightly-fought space and the success of a company depends on fresh ideas and innovations. Therefore, we have expanded our services with more and more innovative solutions, including the BNG Service Delivery Platform, WAP Platform and the Cloud IVR Platform. App development is yet another area that we have done well in. For example, Ibadat is the most comprehensive Islamic app available in the market: It is an easy-to-use and visually stunning app that offers Quran recital, prayer alerts, Tashih, live relay from Mecca, a prayer compass and Islamic wallpapers. We are also in the process of launching @home that is set to revolutionise international roaming, making it very effective and affordable for travelers.

We had started with 20 colleagues, but are now a team of 150. We have a revenue-sharing deal with Warid Telecom, Robi Axiata, MTN Group, Airtel Africa, XL Telecom and Smartfren. This year our revenue is expected to grow exponentially as we have been clocking close to 100% growth quarter-on-quarter of late. Although we have offices in Mumbai, Bangalore and Delhi, besides Chennai, we are not actively looking at the Indian market for the time being. But, once we build a good client base overseas, we might look homewards.

(As told to Samarpan Dutta)