

Research Article

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Growing a profitable Startup

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Abstract

This paper is a case study on growing a profitable startup. It is an analysis of the case of Sanfe, a recent startup successfully incubated in IIT Delhi. How did this Sanitation Startup find a profitable Pipeline? What are the existing issues in the Market? How did they overcome Obstacles? What is the current scenario of the company and how are they planning to solve future problems?

1. Introduction

Sanfe is women health care and wellness product, which gives the women freedom to stand and pee, avoiding contact with the dirty toilet seats and preventing them from infections prevalent using the public washrooms. Sanfe is also useful for pregnant women, women having knee pain, back pains, and osteoarthritis as they have to suffer each time, while they squat on the toilet seats and urinate. Sanfe is a biodegradable solution designed by IIT Delhi professors and alumni, which is menstrual friendly, one-handed grip for Indian attire. It is a preventive measure of Urinary Tract Infections and hence prevents women from the UTIs, germs, and other infections.

Sanfe was an idea generated in mind of an IIT Delhi student Archit Aggarwal converted to a startup incubated at IIT Delhi. It is funded by the government through IIT and also HPCL (Hindustan Petroleum Corporation Limited).

2. Literature Review

References for this paper were taken primarily from the two founders of the startup Sanfe, Archit Aggarwal and Harry Sehrawat. An interview was conducted with the founders to better understand the inner workings of their startup as well as the challenges and obstacles faced in the process. This primary research laid the foundation for the paper. Additional information was obtained primarily through secondary research through internet sources.

3. Finding a Profitable Pipeline

3.1 Birth of Sanfe

Once Harry Sehrawat and Archit Aggarwal (Founders of Sanfe) went on a college trip when, unfortunately, one of their friends got sick. They took her to the doctor and found out that she had contracted UTI. The doctor further told them that almost 50% of women suffer from UTI infection once in their life caused due to contact with unhygienic Toilet seats. This intrigued Archit so much that after coming back from the trip, he started working on a project which focused on the conditions of public washrooms in Delhi. During compiling the project report, Archit realized the problems that women have to face silently^[1] because of unhygienic toilet seats, making them prone to infections. Moreover, his findings were supported by WHO, that one in two women suffer from UTI at least once in their lifetime.

This was when he thought and laid the foundations of his startup Sanfe: Sanitation for female, and shakes hands with his colleague Harry Sehrawat and got into entrepreneurship. Harry was working on automatic Toilet Cleansing machine. They both joined hands to start the venture aimed at improving women's' health.

3.2 Developing the product

They started doing surveys, and during that, they realized the problems pregnant Women faced. This gave rise to an idea of developing a product by which women can "Stand and Urinate" so that they do not have to sit on unhygienic seats, thus avoiding infections. They started with simple funnel design and gave it to some women for trials. After months of research and taking feedbacks and improvisations, their prototype went through 23 iterations in design. The final product had features like thumb grip for women who wears saree and suits that they could hold device in one hand while their clothes in other. The material used is waterproof and Biodegradable.

4. Existing issues in the Market

Lack of toilet is very unsanitary and allows for many diseases to spread from person to person very easily such as diarrhea and measles while traveling public areas like restroom are one of the only available places for Indians to go to the restroom. Some people feel so terrified of the germs lurking in public bathrooms that

they practically cover the entire stall in paper before they go. Others try holding it to avoid germ-infested public toilets.

Mostly pregnant women suffer from back pain. In the third or second trimester, the weight of the baby creates pain in the sciatic nerve. This results in lower back pain extending from legs to the buttock. Sitting down creates a lot of problem for pregnant women. Lack of western toilet available in rural areas creating a problem for not only pregnant women but also for old women who cannot sit.

5. Finding a Profitable Pipeline

5.1 Behavioral change

Women traditionally have been used to the traditional way of peeing, and in order to make them use their product, a behavioral change was required. There was this stigma or taboo attached to the use of the product because of which it was difficult to develop behavioral change. There was a need to convince them about the consequences of not using, mainly holding the urge to pee and use of the dirty toilet.

Behavior change marketing or Social Marketing is used to develop strategies for convincing target audiences to not only change their mind but also to change their behavior. It is a marketing effort that aims to increase awareness of a social issue and change a behavior that is unhealthy.

To overcome this social stigma, Sanfe capitalized on the free-loving mindset of our country. They started an online campaign 'Stand Up for Yourself' where Sanfe offers and ships a free sample to someone who shares their online post on Facebook. There might be reluctance among women to try the product even if they like the idea after seeing the post on Facebook due to factors like authenticity or cost. However, when offered a chance to try a free sample of the product, there are considerable chances of people sharing the post to try the product.

5.2 Reaching the target audience

Conventionally, the various ways to advertise and reach the target audience is through advertising through various channels like newspapers, pamphlets, television ads, and social media marketing. However, a significant problem for startups is that there is

limited funding, and there needs to be an efficient way of marketing within the budget of the organization.

Sanfe initially started campaigning on social media platforms like Facebook, which offers provisions for paid advertisements on its platform. This was a comparatively efficient way of advertising to a greater reach. However, the problem with this was that the conversion ratio was very low, and the reach became stagnant beyond a certain limit. This model was, therefore, not sustainable.

A significant advantage that the IIT Delhi startup ecosystem offers to the potential startups is Public Relations (PR). News items and public interest news have helped them gain significant publicity. Also, the online campaign started by Sanfe to offer free product samples, as mentioned above, has contributed significantly for Sanfe to help the product reach the target audience.

5.3 Marketing new product

The product offered by Sanfe is a blue ocean product i.e., it is a completely new product in the market, and there are virtually no competitors. This offers a significant advantage to the company but at the same time necessitates the need^[2] to make the customer aware of the product: when, how and why to use? So, they need to clearly communicate the advantages and the purpose solved by this product. This problem is not faced by companies which develop a product already established in the market. There is significant competition, but there is not a need to state why and how to use the product.

5.4 Reaching the target audience

Currently, Sanfe is offering a stand-alone product in the market without any competition. If their product becomes successful, there is a very real possibility of another company launching a similar product. Since their product is a very simple offering in terms of design; there is a possibility of other companies to break the patent by launching a modified version of the product. If a company launches this product, there is a possibility that they may use predatory pricing and create competition in the market.

In the event of such possibilities, Sanfe plans to capitalize on its brand value which it is striving to increase through various tools. Also, they have started to diversify their product line with the successful

launch of its new product, Period Roll-on. Further down the road, diversification is the best solution to reduce the risk of such possibilities and ensure the survival of the company.

5.5 Management

It is necessary to organize, manage people, form structure of a company, how they will function, what motivates them, how can they be made more sustainable. A small company requires many efforts and cannot hire professionals with high paying salaries. This increases the chances of mistakes in various tasks, and it becomes difficult to manage them.

It is also necessary to make employees feel valued and give them greater exposure to different tasks in the company so that they work with dedication and there is efficiency in the working of the organization. For e.g., Sanfe has hired a content writer in their firm. To ensure that her work does not feel repetitive and monotonous, they ensure that she is offered different management tasks, participation in business meetings and campus visits. This ensures that the employee is satisfied with his/her work and feels that there is some exposure offered to him/her by working in the firm.

Sanfe source its product through Sangat manufactures and sells its product through E-Retailing as well as offline stores throughout South Delhi. They supply their product to a distributor who places the product in approximately 500 stores, also they supply their product on order Pan-India.

6. Finding a Profitable Pipeline

6.1 The problem of Product Retention

A major problem with their product was that they are able to achieve target sales, but the sales are not increasing. After taking the feedback from consumers by consumer calling one common issue to arouse that the consumer thought of their product as "Travel Device," i.e. they thought of buying the product only while traveling. This was a significant reason for them hitting a plateau in terms of sales. The marketing expenditure is increasing, but sales are not showing any significant improvement.

6.2 Inference

The main task now is to make consumers use the product daily rather than occasional use thereby increasing the retention and hopefully increasing sales. This can be achieved by creating awareness among girls and position the product as a daily use device

6.3 Solution

So, one way is to give out a letter with every product telling consumers about the dirty conditions of toilets and how even a clean looking toilet is not hygienic. This gives a personal touch, and the consumers would feel more connected to the brand.

Other method includes sales promotions depending on available funds, but then the consumer outlook towards the brand may change and affect the pull effect of the brand. Also, the margin in case of Sanfe is very less affecting the profits. One thing Sanfe can do is to give free product sample by asking the consumers to help in the marketing of product thereby compensating the marketing expenditures.

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Author Profile



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