

emerging

half way through



Half Way Through: Vinay Sanghi

Vinay Sanghi has been in the auto business, technically, for almost all his life. Motorexchange, his recent creation, has witnessed a swift growth in a span of just a year. The venture raised its first round of capital even before it started making revenue, and now it plans to go public in another three year's time

By **Shinjini Ganguli**

Forty-one-year-old Vinay Sanghi started his career in the auto industry when he was barely 23. And since then there has been no looking back. He built his first company as a joint venture with the Mahindra Group. Content with all that he had achieved so far, he decided to move on. He created Motorexchange, India's first B2B-used vehicle exchange, a direct competitor of eBay India in 2009. Later he acquired CarTradeIndia, a meeting place for buyers and sellers of bikes and cars, to leverage his business. His venture raised funds from Canaan Partners while still in pre-revenue stage. Now he has IPO in mind.



I was born in Mumbai in a family that has been in the auto business for over half a century. And by virtue of being the progeny of the family that is fascinated by automobiles, I inherited an irreversible passion for the obvious.

It didn't take me long to figure out the answer to the crucial most question of life—What do I want to do?

I wanted to be an entrepreneur. I wanted to make my mark in the auto industry.

Most of my childhood was spent in Mumbai where I did my schooling and college from. I'm an alumnus of the very popular Champion School and Sydenham College; both with a reputation of producing some of the most prominent figures in India.

After completing my graduation, I decided to put my ambitions and abilities to test. Gladly, I didn't cause any disappointments, neither to my family nor to myself.

I started my career way back in 1992 with a frontline sales job at my family's Bajaj dealership in Mumbai. It is here that I learned the early lessons of life from my two uncles—Arun and Ranjan Sanghi. They were the biggest support in my life after my father passed away at a very early age.

My job was gruelling and gratifying at the same time. It shaped the formative years of my life. It instilled an unassailable confidence in me. At work, I learned how to deal with customers, build teams, establish credibility, tackle crisis and much more.

But what took quite some time for me to learn was handling senior team members. Young age is often seen as being immature and incapable of taking prudent decisions. I had to prove the notion wrong and establish my credibility before I could prove myself worthy of gaining a say among the seniors. The challenge in my early years was basically my age.

Much as enriching a learning experience it was for me, I quit the job in the year 1999 and set out to start Automart, an online platform for selling used vehicles. However, like many other 1999 dot-com businesses, it proved to be too early to build that, and I morphed the business into what is now Mahindra First Choice business with the Mahindra Group.

Together we built a company that is today known to be India's largest multi-branded used car showroom with the widest choice of pre-owned cars. Having thoroughly enjoyed my stint with the company that I had started in 2000, I decided it was



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time to relinquish the title of chief executive officer and hop on to the next train.

I resigned in 2009 and entered my-figment-of-imagination-turned-reality, Motorexchange. Today, it is India's leading online auto platform where sellers can dispose inventory to the largest pool of buyers.

Started with my childhood friend Ranjan Mehra, former country head of eBay India, in 2009, Motorexchange has completed over a year now. And this


sign up our first few customers. We worked round the clock. Some of our early challenges were convincing the first few shareholders, bringing on the first employees, and building a flawless product.

Challenges are just challenges, not dead ends!

As Motorexchange was started during the 2009 downturn, it was difficult to arrange for the initial funding. Ranjan and I invested all our life savings to build our dream venture. However, that wasn't enough, so we got friends, family,

They saw the potential in the business, as I did long before I could even launch the platform. Having spent close to two decades in this sector, it wasn't difficult to foresee some upcoming trends. With the increase in the number of Indians in the middle-income group who aspire to own cars, the demand for used cars was going to rise steeply. And I knew exactly what was needed to be done to capture the market.

While we have established ourselves, there is still a long way to



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one year has witnessed our growth from just another dotcom business to a wellrecognised name in the market. And with where our current statistics stand today, we expect to auction vehicles worth over Rs 1200 crores this year.

However, to be where we stand today has been no cakewalk. It has cost us much hard work. Most of the early days were spent putting together the strategy and product.

It had almost drained the last drop of blood from our bodies to

and couple of overseas' investors to do a seed round.

Soon with all the support, we got rolling. And as soon as we gained some ground, we clocked our first round of funding from venture funding firm Canaan Partners at a pre-revenue stage.

The VC evaluated the capability of the founders. The entire process took about three months. We made presentations to a general partner of Canaan Partners India and then to the entire international Canaan team over a video conference.

go before all our dreams are consummated. We plan to kick-start our second round of capital raising in 2010. And go public in the next three to four years.

My aim is to reach the one and a half billion dollar mark latest by 2015.

And with the strong team comprising Jeremy, CFO, Arun Sinha, business head, Akshay Shankar, AVP-Product, and Ravi Mehra, business head for fleets, by my side, I fear nothing.

I believe. I achieve. 