



TiE Mumbai organizes unique mentoring session for Startups

Mumbai, 14 May 2020: Building on its commitment to empowering Startups and entrepreneurs through education and knowledge- sharing, TiE Mumbai recently organized a “Ask me anything” session with prolific investor, **Niren Shah** - Managing Director & India Head, Norwest Venture Partners in conversation with **Atul Nishar** - President TiE Mumbai. As an organization, TiE Mumbai has been providing entrepreneurs, with the right guidance, mentorship, networking and funding opportunities that are critical for a business in its nascent stage.

“In these challenging times, these initiatives by TiE Mumbai bring much needed support to the venture builders by connecting them to experienced industry stakeholders and experts through a series of webinars and sessions.” said **Atul Nishar, President, TiE Mumbai.**

Niren Shah mentioned that the current situation is a once-in-a-generation crisis and far larger than the GFC or the dotcom crisis. Besides being a “humanitarian crisis” given India’s large population, he also mentioned that this unprecedented situation has “made the global and Indian economies fragile and has significantly impacted most businesses and sources of livelihood in India.”

Niren broke down his analysis of the COVID timeline into 3 distinct parts; Short, Intermediate and Long term.

- *The Short Term* refers to the current timeline until and we reach a peak of new cases. He felt that this phase could conclude by June-July 2020.
- *The Intermediate period* is the timeline from peak cases until a vaccine is publicly administered. Niren felt that this could be longer and take at least 12 months since vaccine production and administration would take longer.
- *The Long Term* refers to the period post the vaccine has been administered to everyone. In this period, Niren felt that things would be completely back to normal.

While India has done an exemplary job of moving quickly and initiating a lock down which has mitigated proliferation in the Short Term, the Intermediate and Long-Term impact is still to play out. The Indian investment fraternity is clearly cautious about the Short-Term peak cases but remains long term bullish. However, he felt that the biggest debate is about the Intermediate phase. Niren believes that a certain amount lingering uncertainty is expected to remain during the Intermediate phase (until the vaccine is developed) which could take an additional 12 months, and this could create a lot of uncertainty for businesses/startups due to consumers being cautious. However, the post vaccine COVID era will be relatively much better place for India, with global investors reducing their footprint and concentrating investments on destinations like India which offer safety, security and trust.



In his advice to founders and entrepreneurs, Niren Shah agreed that this current uncertainty comes in the way of business planning and execution. It is a good idea for venture builders to have a candid view of the situation and plan accordingly. They should use this time to assess, reimagine and relook at their business. Optimism being the key, they must concentrate on raising enough cash, staying liquid and focus on survival. He also advised entrepreneurs that raising funds could pose a challenge, but as the adage goes, “never waste a good crisis” it’s time to gain insights and learnings for one’s business and focus on areas in the business which have been previously ignored and need attention. For new ventures, he advised that one could go ahead and start the venture, but build it slowly, frugally and thoughtfully and focus on the product-market fit until the funding environment improves.

In the short term, he emphasized on EdTech, e-health, pharma as his current hot picks due the tail winds these sectors are creating. However, in this phase, he felt that areas such as Real estate, offline retail, movie theatres and offline restaurants could be impacted especially if there are additional lockdowns. Elaborating on different sectors, he said that the Telecom sector is one of the least affected sectors. With our dependency on data and voice this sector looks promising. Online insurance business is poised to be one of the biggest beneficiaries. EdTech sector will be one of the largest gainers. After school education, extracurricular activities, government exam market, coding and skilling market will become popular. Overseas Education Companies have also partnered with renowned universities abroad to continue online classroom teaching.

In the Intermediate period several digital businesses will make a comeback. Like China, online Food delivery, online Grocery and the online Furniture space will experience tail winds in this period. Online retail and Logistics will fill the vacuum of consumers selectively stepping out for purchases. Eco friendly products and the Beauty products space will make a quick come back, while Gold will remain a safety net for investors. Health food and organic- farm to fork model continue to be important since consumers have become more health conscious. Alternative medicine like Ayurveda and Homeopathy will also see a lot of response. SaaS in the enterprise space is also well poised and investors are positive about investing in vibrant content in the entertainment space.

In the long run, post a vaccine, Niren is optimistic that mean reversion is a reality and businesses will make a strong comeback. Retail, Fintech and real estate will fully revert to the normal. While consumer behavior will create a positive bias towards digital and the environment because of our COVID experience, the current belief that “everything will dramatically change” is likely to be a fallacy, since consumers are driven by habits and a period of crisis is unlikely to completely change a lifetime of habits.

About TiE Mumbai

The Indus Entrepreneurs (TiE), was founded in 1992 in Silicon Valley by a group of successful entrepreneurs, corporate executives, and senior professionals with roots in the Indus region. Since 1992. TiE has been supporting entrepreneurs by offering education, mentorship, networking and funding



opportunities. The mission of TiE is to foster entrepreneurship globally through the 5 pillars of TiE: mentoring, networking and education, funding and incubation. Dedicated to the virtuous cycle of wealth creation and giving back to the community. TiE's focus area is to generate enable the next generation of entrepreneurs. There are currently 11,000 members, including over 2,500 charter members in 60 chapters across 17 countries. TiE's mission is to foster entrepreneurship globally through mentoring, networking, and education. Dedicated to the virtuous cycle of wealth creation and giving back to the community, TiE's focus is on generating and nurturing our next generation of entrepreneurs.

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