

Cementing the gap in construction management.

# Start-up Nadhi Information builds enterprise planning software for construction industry

N RAMAKRISHNAN

Kalyan Vaidyanathan and Ravi S Mundoli, founders of Nadhi Information Technologies Pvt Ltd, are aware of the challenge on hand. Their company builds software for the construction industry that helps a largely fragmented and disorganised sector manage its information flow better. It provides the industry with analytics that supports decision making.

The company has been bootstrapped and incubated out of the IIT-Madras Research Park, and is generating enough cash to meet its expenses. But, they say, this is not enough. They need to step up their product research and development and their marketing spend, especially in the US and the UK, if they are to stay ahead of the competition, which includes Silicon Valley firms that have venture capital money to burn and subsidise their product with when they enter India.

## Eyeing US market

They say one of them has to spend a substantial amount of time in the US marketing their product, while the other keeps the ship sailing here. And, they have to do it this year. "The next

quarter is the target for one of us to go to the US. We will have to find the bandwidth and the money to do this," says Ravi S Mundoli, Chief Technology Officer. Adds Kalyan Vaidyanathan, CEO, "Ravi has been doing that in the UAE. We are looking to replicate it in the UK and the US."

Apart from a handful of domestic clients, including property developers, EPC (engineering, procurement, construction) contractors, project managers and real estate players, Nadhi has one client in the UAE. They are discussing the challenges for Nadhi as it grows its business. One of them, says Ravi, is the threat of being overtaken by some of these new fangled companies.

"This is where the worry on the R&D side keeps coming up for us," he admits. During a recent visit to the UAE, he was shown some competitive products and the prospective client, after sitting

through a presentation of Nadhi's products, admitted that he would have bought the latter's if he had known about it earlier. Ravi says the competitor's product that he was shown was well designed and functionally clean, but it dealt with only a small slice of the problem, whereas Nadhi's own product did a lot more. "Where we suffer from is our marketing; the collateral is not slick enough..." he says.

Nadhi and the enterprise software and solutions it offers itself was born out of the realisation that the construction industry was fragmented - the technology was fragmented and the people involved in it too followed different systems and schedules. The players in the ecosystem hardly talked to each other and there was no inter-operability of the systems that were being used.

## The foosball connect

Kalyan and Ravi, both civil engineering graduates of IIT Madras from different batches, went to the US for their Master's - Kalyan in Structural Engineering from Cornell and Ravi in Transportation Engineering from Amherst. They both

worked in a manufacturing supply chain management solutions company in Boston. They were on different floors in the Boston office and bumped into each other thanks to the foosball machine that was on the floor where Kalyan had his office. The foosball machine and the IIT-Madras alumni association in the US helped bring the two together.

Nadhi was incorporated in 2008 and the first product it built was actually for the US market.

But, when Ravi showed it around in India, there were many in the construction industry who felt that such a product would be useful for them. The product was for sub-contractors in the US, but in India they did not have one even for the contractors, according to Kalyan.

The fragmented ecosystem was what Nadhi set out to change.

In 2008-09, Nadhi built the first construction mobile app on the Symbian operating system long before anybody even thought of it. Ravi says firms in the Silicon Valley have now developed mobile apps for the construction industry.

"We were pioneers but then the window closed because in this market we could not sustain it," he says.

According to Kalyan, Nadhi's aim was to provide a product

that plugged the gap between planning and execution, and one that allowed existing systems to communicate with each other. In the construction industry, usually each individual or team worked independent of the other and problems got flagged only during the periodic review meetings.

Till then, no one would know what the issue was. Nadhi's flagship product - nPulse - helps players in the construction industry keep track of what is happening across divisions, because of which issues are sorted out at once rather than at the review meetings.

## Banking on IIT

Kalyan and Ravi were keen that their venture be incubated at the IIT-M Research Park and work with the faculty.

"They knew the industry better. Though we were civil engineers from India, we didn't have project experience and we were hoping that IIT would help us bridge that lack of knowledge," says Ravi. Three IIT-M civil engineering department faculty members - Sathyannarayana KN, Koshy Varghese and Ashwin Mahalingam - are associated with Nadhi.

Nadhi's first client was from the power sector and it now has a fair mix of players in the construction industry. Initially, their income was split 70:30

from the consulting space and sale of their product. But, then the consulting business required a lot of people and hence the two founders decided to press the pedal on the product business. They even started declining some of the consulting projects that came their way, in 2013-14. Since then, their revenue mix has changed, with bulk of it - almost 60-70 per cent coming from the products business.

## Expansion plan

Nadhi is a 20-member team now and for it to grow rapidly, it may look at raising funds in the near future, with which it will beef up the team, spend more on product R&D, spruce up marketing for an international audience.

Money, according to Kalyan, will help with inorganic growth.

"That is what we are looking for. This organic growth we can continue, assuming the external factors don't throw up a monkey wrench in the whole thing."



*Nadhi's aim is to provide a product that plugged the gap between planning and execution, and allows existing systems to communicate with each other.*

KALYAN VAIDYANATHAN  
CEO, Nadhi Information Technologies



*"The next quarter is the target for one of us to go to the US and somehow we will have to find the bandwidth and the money to do this."*

RAVI S MUNDOLI,  
CTO, Nadhi Information Technologies