



Image By Prabhakar Rao



Treading On A SUSTAINABLE ROUTE To Develop Alternative FUEL

Biomass, though available in abundance, was never looked at as an alternative fuel source owing to the development procedures. A team of three young entrepreneurs took up the challenge to harvest such an innovative business idea and thus VisViva was born in 2009. Latin for living force, VisViva is a vision to establish alternative fuels as viable mainstream options for the industry. It aims to achieve this by solving key issues that restrict the growth of renewable energy and create pure economic incentive for the use of green energy.

■ PRERNA SHARMA

Imagine a scenario where scarce fossil fuels get replaced by unconventional sources of energy. And this time, we are not talking about solar or wind... but the most abundant source of energy, viz., biomass. With a vision to provide sustainable paradigms in developing alternative fuels in India, a team of three young entrepreneurs formed VisViva, a start-up firm that aims at expanding the scope of renewable energy development in India.

The solution that is being implemented by VisViva is essentially based on a model driven by alliances.

The uniqueness of the model lies in the involvement of the local-level bodies and entrepreneurs. Offering an in depth perspective of the same, the start-up's founder Siddhartha Shrivastav informs, "We are a team of three who started this company. The three of us had met during a programme held by IIM Ahmedabad. Entrepreneurs from all over the country were invited to attend the programme, which focussed on renewable energy. At the programme, we were exposed to the latest technologies available in the sectors. Apart from that, industry experts were also present at the event to mentor the entrepreneurs. After

much deliberation on what we learned in the programme, we formed the company, which would explore the field of biomass. We thought that this was a financially viable option for us since we are a start-up firm."

VisViva was selected by the Centre of Innovation, Incubation and Entrepreneurship (CIIE) at IIM Ahmedabad. The selection was done through CIIE's research programme, which had sponsorship from the Ministry of New and Renewable Energy (MNRE). Started in June 2009, the research programme had seen participation from entrepreneurs from all over India. It was aimed at encouraging

new ventures in the field. VisViva was one such venture, which was formed through the synthesis of the ideas of the founders, who met at the meet. All ventures were thoroughly evaluated by a panel which had bankers, venture capitalists, MNRE representatives and professors of IIM Ahmedabad. VisViva is one of the only two ventures from the programme, which were selected for incubation and further support.

STARTING FROM SCRATCH

The field is vast and scope unlimited... with an aim to reap these benefits, team VisViva started interacting with people related to the field, such as those involved in biomass power generation. The common dread that was running across was the lack of stable supply chain infrastructure – one of the core reasons why biomass, despite being economically viable, is not taking off in India. Making this the core of their business proposition, the team started working on a business model to supply reliable & good quality biomass fuel at a stable price to industrial users. Siddhartha adds, “Starting from there, we have got our own production facility now in Andhra Pradesh. We have also set up a trading network

through our marketing services across Andhra & Maharashtra. Currently, we are supplying fuel to boilers across the industry. We particularly cater to thermal applications and not power generation.” Switching over to using biomass-based fuels offers companies tremendous economic advantages. Apart from the price getting reduced to almost one-third, the resistance is more in terms of the fuel’s success. Once the advantages of the product in the long run are established, then the economic advantages become complementary, especially in today’s scenario where fuel prices are skyrocketing. Biomass is becoming competitive as a fuel.

HOW DID THE TEAM GET TOGETHER?

Passionate about bringing sustainable paradigms in the way fuel is being developed today, the team came together to drive this mission forward. Siddhartha, after graduating from IIT in Metallurgical, was working for a couple of years. He reminisces, “That was when I got exposed to the industrial atmosphere. Subsequently, I

FACT FACT India is one of the largest producers of agricultural products in the world. As a direct consequence of the large produce of food grains and cash crops, there is a large generation of agro residue. The net energy potential of the biomass has been estimated at over 20,000 MW equivalents.

joined IIM Ahmedabad. From those days, I was keen to start my own venture. However, to get a bigger view of the industry, I joined a consulting company. I worked there for about three years. Since I was particularly dealing with the energy sector, I was trying to figure out what kind of company I would want to set up. Of course, it was a tough decision because consulting is a lucrative job. However, planning during the early stages of my career made the transition smooth.”

Talking about his two teammates, he says, “Harshal Kalamkar comes from an engineering background. He was working in the IT sector before he did his MBA from IIM Kozhikode. He also worked with Bloomberg before this project. During that time, he tracked the renewable energy sector. Srikar Reddy, on the other hand, is an

THE TEAM



Harshal Kalamkar,
Director – Marketing

A graduate from IIM Kozhikode, Harshal has more than five years of experience in the IT industry and financial sector. His most recent assignment before the start of the venture was with Bloomberg (in London). This exposed him to the field of renewable energy and the key issues. He had also been involved in pico-hydro power projects for a few months before joining this venture. Given his family background, Harshal also has deep understanding of rural Maharashtra thereby aiding the company in growing in Maharashtra.



Siddhartha Srivastava, Director
– Operations (West)

Siddhartha has worked in the industry for more than five years. An engineer from IIT Bombay and PGDBM, IIM A, he has spent the initial few years in an industrial marketing role; post which he moved on to consulting in the energy sector, with a focus on the renewable energy space. Given the skills developed as an industrial marketer and the experience as a consultant, Siddhartha would be focussing his efforts on developing the demand in the west and central parts of the country.



Srikar Reddy,
Director – Operations
(South)

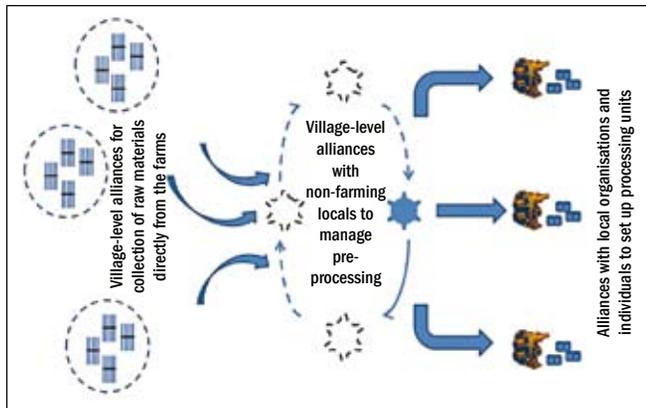
Srikar has worked as a financial analyst with a focus on the energy sector for the last two years. A BTech from IT BHU, he had a career with IT consulting before moving over to finance. Through family and other associations, Srikar has strong ties with key persons in the rural parts of Andhra Pradesh. Srikar would be utilising these associations to help the company build robust operations in the southern parts of India as the Director – Operations (South).

engineer from IT BHU. Like Harshal, Srikar also had the vision to do something in the renewable energy space. That's how our passion drove us to form this company together."

Discussing the funding mechanism in India, he says, "Funding is difficult especially considering the stage where we are today. That is where incubators like IIM Ahmedabad play a crucial role. We have started with an investment of less than ₹50 lakh and we are looking at raising funds. It is very difficult to raise funds, especially in biomass." Content with the business proposition and the responses they received in the initial months of their start-up, Siddhartha says, "That is the beauty of a biomass project. In a span of two months, we were able to get our first project. There is a lot of demand in the market. Once you are able to deliver, the success rates are quite high. We started selling in December 2010 and by October 2011, we have 7-8 key clients."

WHAT'S IN A NAME?

When the team sat down to name the venture, many ideas came up. However, names with 'green', 'new', 'clean', 'environment', etc., did not seem to find the right connect with the team. This led to a different approach – not to think of names being bandied around; not to force the renewable connection – but to take a fresh look at what the team was trying to achieve. The results varied from the mundane to the unique to the absolutely bizarre. But the one name that caught the attention of all the team members was VisViva. If you look up VisViva, you would find that it is latin for 'living force'. In the meaning, it contains the inspiration to toil on and to continuously strive towards the ultimate goal. Moreover, it also signifies the power potential of



As shown in the schematic diagram, these alliances run across all the activities of the supply chain

plants and agro-waste.

INITIAL HICCUPS

As is the case with all start-ups, this team was also confronted with several challenges during their initial days. "The initial hitch was related to product performance. But we carried out trials. Once we were able to build confidence, there was no issue at all," Siddhartha informs, adding, "It is a completely new field, so there is a lot of research & development involved. When we got into making biomass briquets, the source of raw material was completely unorganised. Nobody has succeeded in collecting cotton stalks in India. Our journey till date has been on the path of lot of research and development. There is a lot of risk involved in this field as it is relatively new. The major hurdles faced were on the operational side. There were various logistical hurdles. As far as team coordination is concerned, we demarcated work so clearly that it does not result in tussles between us and work gets done smoothly." The key success factor according to Siddhartha is the planning, which they had started a year before. That is the message they want to convey to the new age entrepreneur – plan much before taking a plunge. Also, as it is a nascent field, there is a lot of innovation possible; only the timing to get into the space has to be perfect.

KEEPING UP WITH INNOVATIVE SPIRITS

Armed with enthusiasm and passion to drive, this young team is determined to transform the energy landscape in India. Keeping the innovative spirits high, Siddhartha discusses their ambitious expansion plans. The way we have charted out our journey, biomass is a huge field and we are working on just one aspect of it. Over the next 2-3 years, we are going to work on this space, achieve a scale,

which makes it self-sufficient. Beyond that, there are a lot of other innovations that are possible. We will be gradually moving towards those. Apart from that, there are innovations in product as well as to keep driving down cost. Small innovations will keep happening. We will keep increasing our scope of activities as we go forward. We have just set up one machine, which is more at a pilot stage. Our immediate plan is to set up a larger cluster of briquetting machines to augment production. Right now, we are producing close to 200 tonne. We plan to double the capacity from the same unit. At the same time, we plan to set up another cluster of machines, which will take our production to 2,000 tonne per month. Post monsoon, we will be setting up a similar set up in Maharashtra.

On an optimistic note, Siddhartha concludes, "The hidden value behind the theory once discarded, inspires us to question the conventional wisdom and unlock the value of sources which are not considered viable. Today, as we venture out, we aim, through VisViva, to make the so-called non-conventional sources of energy an economically viable alternative to current fuel sources. We have to make the whole supply chain possible so that the potential can be utilised. That is the major contribution that we plan to make." ■

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