BlueKaktus want to become the platform of choice for the global supply chain

Responses By: Gunish Jain, CEO, BlueKaktus



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1) **Present status/position of BlueKaktus**

BlueKaktus has been working on digitizing the fashion supply chain that is very fragmented. For Example, large brands like Myntra, Amazon, USPA, Arrow – have a supply chain, the people who are working with them supplying garments are traditionally the SMEs, fabric mills, thread suppliers, label suppliers, etc.- all these are small-small suppliers who are fragmented. And, what we are doing at BlueKaktus is, integrating this entire supply chain so that all these different suppliers are on the same platform. As a result of which, they can interact with each other faster and through this interaction they can have better speed to market. For instance, lot of brands identify a fashion trend, but by the time they get the garment in, the trend is already gone because it takes too much time. By getting everyone on a single platform, we are able to enable them to improve speed to market and thereby capture demand in a timely manner.

In terms of reach, today we are India's largest fashion supply chain platform. We have over 1800 vendors on our platform and currently we do almost $115mn of sourcing through our platform every month. We have close to 40+ brands who are using our platform for their supply chain integration.

2) **Please share some insights about the journey of the inception of BlueKaktus and how the AI ecosystem evolved in India?**

I'm from the garment industry and have run my own garment manufacturing business with about 2200 employees for about 17 years. Being a supplier to leading global brands, the kind of problems I saw in the supply chain, I felt that there was a need for technology intervention. Having a tech background and being a computer engineer myself, initially it seemed as if there wasn't anything that could have integrated the supply chain. However, about three and a half years ago, we ventured onto this journey to solve this problem for the industry. That's how the journey began and we were able to create this digital platform and today, BlueKaktus is the largest platform in the country.

In terms of Artificial Intelligence and Machine Learning, today the technology has evolved so well that a lot of the data that you have through deep learning, analytics, AI and ML, have actually automated the decision making. For example, if I have to predict whether the goods will be on time or not, traditionally you would require a merchandiser (a human being), who based on their experience will be predicting all events, if the goods will be on time/delayed/if there will be a quality problem, etc. Today, if you push a lot of the data into the system, through AI & ML the system is able to predict it. Since the process is system driven, the decision making is very fast. Analyzing all this data is not possible for a human, therefore, the use of AI & ML is significant for quick decision making in real-time.

3) What challenges did you overcome to drive the adoption of fashion and lifestyle supply chain software in India?

Mindset has been the initial challenge we faced. Questions such as 'Thinking that a process can only happen in a certain way, maybe this is the way it works, this will never change, I'll become a data entry operator/merchandiser, etc' have been the statements that can in our mind. Hence, I believe mindset and behavior are the biggest challenges we faced.

Secondly, taking the fragmented supply chain forward, there are SMEs' whose understanding about technology is very limited, so educating them and explaining to them how this technology could be useful. Proving to them the benefits of digitizing has in monetary terms that gets everyone excited and on boarded.

Because most of our team is from the industry, who have been on the other side, running those businesses, we were able to relate to the issues they were encountering. They understood that since we are from the industry, who not only understand the problems faced but are also actually solving it – has helped us overcome all these challenges.

4) Which are the main industries adopting software solutions in India and can you share some success stories?

Today we have the key fashion companies on our platform today, companies like Arvind Fashions, Myntra, Cloudtail, Landmark Group, Zetwork, Aditya Birla – big

fashion powerhouses of the country have adopted our services. In terms of improvements, we have shown progress in lead times by **20-30%,** a cost reduction of **5-7%,** and improvement in inventory turns by **0.2 to 0.5%**, in metric tonnes.

Some of the key benefits are those apart from the fact that we improved merchandiser productivity by **50-75%** in some of the cases. So, those are some of the benefits that we have been able to give our customers on our platform.

5) **Considering the growth of software solutions in India. What new initiatives is BlueKaktus focusing on currently and in the near future?**

Like I mentioned earlier, we are the largest platform in India, we do have a global vision, and want to become the platform of choice for the global supply chain. We have large international brands and are sourcing from all over the world. Secondly, we are not limiting ourselves from just being a technology platform, but also enabling companies getting deeper engagements with our customers and with the manufacturers, giving them more tools which will help them improve their productivity and reduce their costs. So, the idea is to keep expanding the network we have built and leverage it to provide greater tools for overall benefits of speed to market and cost reduction. We build tools like capacity planning, optimizing the marketplace for capacity utilization, and optimizing fabric aggregation, which we have or are in the process of rolling out, over the course of next 12-18 months. We believe this can have a fairly significant impact in terms of the competitiveness of the fashion industry.

6) **How do you think this will become the engine of growth for the fashion industry?**

I personally believe, to become the 'engine of growth', we need the entire industry to be competitive. Today the customer is looking for the right product and the right time, whenever they want it, so for us to enable the supply chain to deliver the product, right place, right time and the right cost/competitive cost is our endeavor, our vision and what we are striving to achieve. And, the kind of efficiencies, improvements we are making, I think we could have a significant impact in terms of the overall profitability and viability of the industry.

7) **Anything else you would like to add-**

The journey has just begun, and in the next 2-5 years, I believe that India's fashion industry is looking at some of the best golden years. I think we are going to grow dramatically and the whole global industry is looking at supply chain reorientation. And, secondly, sustainability is extremely important. Brands don't want to produce 1000 garments, sell only 500 and try to dispose of the rest 500 garments because they overbought. Now, to produce every garment you spend a lot of energy, carbon, and water. So, I think as a technology company our vision is not only the competitiveness but also sustainability, and how as a technology company we can

improve the sustainability and enable this industry to become sustainable, because environmental protection and climate change are very serious issues and this will be a huge opportunity for the fashion supply chain.