

LEARN,
ADAPT,



AND
MOVE ON

An interview with Rajesh Lingappa.

Rajesh Lingappa, co-founder and former chief technology officer of RedMart, talks about his entrepreneurial journey in the world of technology.

How did you start your entrepreneurial journey?

I moved to Singapore in 1997 to join a technology start-up that built document imaging products. That very year, we were hit by the Asian financial crisis and to survive, the company had to pivot rapidly into new areas like industrial automation, among others. So I learnt to adapt early on. Later in the year, we were acquired (read 'acqui-hired') by iSoftel, a telecommunications company. I spent a total of seven years in those two companies, where I learnt a lot, not just about tech and teams, but also how companies are run and the challenges they face—even though I was not an entrepreneur then. I learnt that it's not all cool and fun. You can have cutting-edge technology and the best customers, but you are helpless against external shocks.

In 2007, I had the opportunity to be a founding member of Random Connexion, a company that set out to find better ways of discovering just about anything on the Internet—products, people, news, etc. We had a great team and were doing good work, but we could not survive the funding crunch during the 2008 global financial crisis. Again, I learnt a lot from this experience. It was then that I joined Bubble Motion, a Singapore-based company backed by Sequoia Capital, as the Director of Engineering, and led the successful development and launch of their new iPhone and Android app, Bubbly. After a few years, as the app market became saturated, I felt I was ready for something new that would stretch my know-how and skills. That was when I came across an advertisement from RedMart.

It all happened quite quickly. I met the CEO of RedMart for 45 minutes over coffee to learn more about the business. He was very passionate about the idea. Initially, I was a bit sceptical: *How would an online grocery delivery model work in a small island-state like Singapore where things were already so convenient?* But by the time I got home from the meeting, I was convinced it could

work. Supermarket trips are basically a chore and repetitive in nature. A bag of diapers or a carton of water is the same, whether it is delivered at home or bought in-store. The hours you save from doing grocery shopping can be put to good use elsewhere. And grocery is something that one needs regularly; it is not a one-off or once-in-a-while purchase. So I could see the customer value proposition in RedMart's business model. Second, though e-commerce was not new and technology *per se* existed in the market, e-commerce for a hard vertical like grocery required much more innovation. We had to get our head around sourcing, packing, and shipping orders of heavy, bulky, fragile, and perishable items, and even temperature requirements for products with very short shelf-life. And then there were inventory and back-end logistics. There was so much we could do in the space from a technology point of view and I was excited to build something from scratch. I was in.

What made RedMart stand out from its competitors?

When we started in 2011, e-commerce was not new and the basic technology already existed, so we had to clearly define our unique selling point (USP) in the vertical. The one word I would use for RedMart's USP is 'convenience'. If supermarket shopping is considered a chore by most people, then what can we do to make the online shopping experience easy and efficient? Normally, when you go to the supermarket, you would carry a shopping list with you and check things off it. So one of the first things we did was to come up with the 'My List' feature, which kept track of everything the customer had bought in the past, making repeat purchases easier. We built several features around this, including reminding customers that they may be running low on certain items. From a customer

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experience perspective, the aim was to make it easy and snappy so that they could finish their shopping quickly. This focus on simplicity or convenience existed from the get-go. Beyond convenience, the two other focus areas were price and selection. We had several initiatives to maintain price competitiveness. As for selection, besides listing tens of thousands of direct-retail products, the introduction of RedMart Speciality Stores (formerly Marketplace) was one of the cornerstones of service innovation that clearly distinguished us from other retailers.

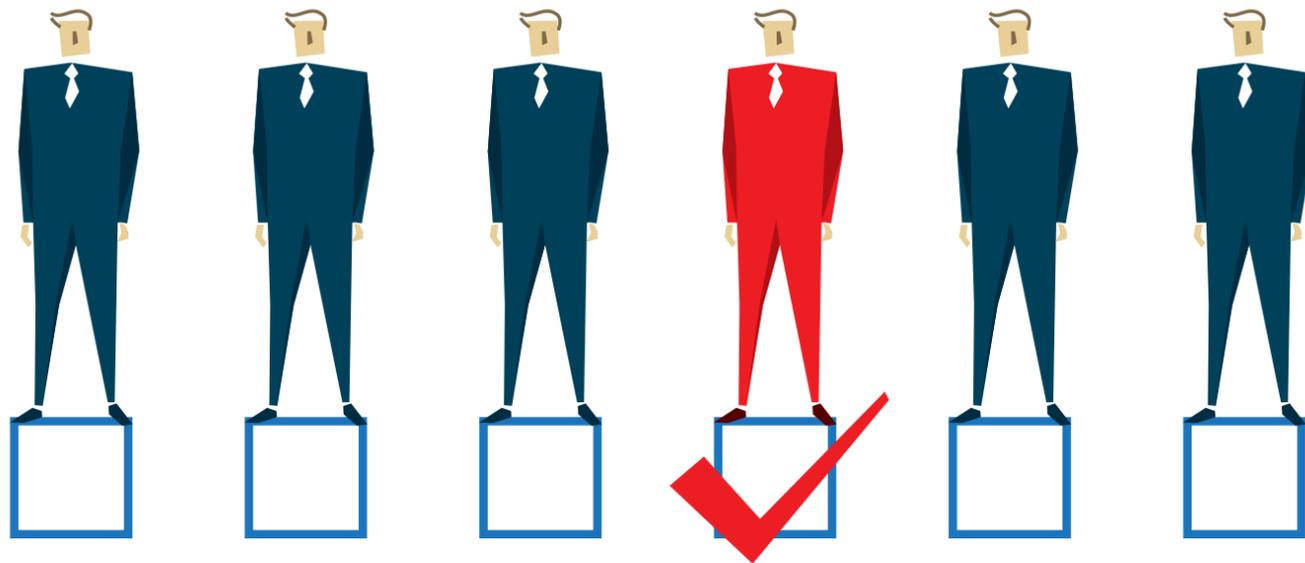
Second, there was a wholehearted focus on service quality. One can have a great app and a robust catalogue, but if service is lacking, customers will not return to the site. We focused on offering superior service. On social media, our customers praised our service standards—they spoke about the politeness of RedMart delivery representatives and how our staff would help to place the goods inside their homes.

Third, our business is about trust. We recognised that it takes a while to develop this, especially for a new service. Will a mother trust RedMart when she buys baby food from it for her child? Typically, a new customer would start off with simple non-food items, and then move on to purchasing

dry food items. Over time, once trust is established, they would start buying fresh vegetables and meat, etc. This is the normal life cycle of this vertical. In the process, we were constantly taking cues and receiving feedback from our customers. Over the years, we managed to establish strong trust with our customers, both in terms of product quality and service. In sum, with convenience, price, selection, service and trust, we created a unique position for ourselves in the market.

What role does technology play in the grocery vertical?

Technology plays a huge role in this vertical. It may sound clichéd these days, but RedMart is truly a tech company. Over a dozen of the tech domains we have are almost like start-ups in themselves. The company's reliance on technology is so much more than what one can see in the consumer-facing app. We use technology solutions for demand forecasting, purchasing systems, inventory management, transportation, warehouse automation, and logistics. We even have a purpose-built customer relationship management system, amongst other things. We had a strong focus on superior user experience with grocery-vertical-specific features in



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our consumer apps, which simplified the ordering process for our customers. And there is a lot more that happens in the back-end to service the demand and fulfil the service quality requirements. Although there were some off-the-shelf solutions available, none of them worked in our context, so for the most part, we had to build our own technology solutions from the ground up.

How do you keep upgrading your skills?

I don't think there is any other field that is changing as rapidly as technology. I've been in the industry for two dozen years, and the pace at which things have evolved in the last five to six years is exponential. Back in the day, we would write a robust software, deploy it, and it would run well for a few years with some occasional updates and upgrades. But now, there is so much out there that one has to prudently choose what to pick and what to leave. To be able to make the right business decisions, you have to take time out regularly—be it during your commute, weeknights, weekends—to read and keep up-to-date with new technologies and solutions. It is a process of continuous learning and upgrading.

Knowledge is one thing and implementation is another. While it is important to know what is out there, we also need to have good judgement as to whether, and when, to apply it to our business. Just because something worked well elsewhere doesn't mean that it will work for us. It is important to strike a balance between being up-to-date and deriving business value.

After RedMart, what is next?

In the last quarter of 2016, RedMart was bought by Lazada, the flagship platform of the Alibaba Group in Southeast Asia.

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In early 2019, RedMart consumer apps were sunset and the RedMart experience was built into the Lazada app. I headed the technology side of this transition. In the 12 months that followed, we continued to migrate other parts of the technology onto the Lazada stack. As the company was in a good place from a tech perspective, I thought it was a good time to take a break.

Right now, I am paying up the 'reading debt'. I buy a lot of books, many of which I hardly get the time to read, so I am catching up on my reading and picking up new tech. I am also looking at something that is close to my heart—mentoring entrepreneurs, helping start-ups get off the ground, and advising companies from different industries.

What is your advice to the new generation of entrepreneurs?

To begin with, I believe one must have razor-sharp focus and exercise ruthless prioritisation especially in the early days of entrepreneurship.

Test your hypothesis and don't expect it to always work. From the very beginning, you should have a set of metrics to guide you toward your goals. Measure what matters and ask an expert when in doubt.

Remember that as an entrepreneur, you are in it for the long haul. In the start-up world, days are long and years are short. Have the patience and commitment to work through the challenges.

I learnt early on that it's very important to keep a tab on spending. Be frugal.

Be ready to roll up your sleeves and do just about everything. Everyone at RedMart, including the tech team, used to do any and all the tasks that came our way on a need basis, including packing and delivering the products.

Don't let perfect be the enemy of good—there is no limit to perfection. Maturity is when one is able to say that "it's good enough" and move on.

Focus on the culture you wish to establish at the start-up. At RedMart, we are very proud of our culture and believe it is the one sustainable advantage the company has. The right culture helps attract and retain the best talent.

Finally, never stop learning.