Georgia Tech

shadowfax
we deliver.

BUSINESS MODEL ANALYSIS

CREATING THE NEXT®

Company Overview

Shadowfax is a Hyperlocal delivery startup in India. They partner with businesses and enable them to deliver products to their customers. Key areas: Food, grocery and e-commerce

- Started in April 2015 [1]
- Raised $ 20 million USD in funding (till Dec 2016) [2]

Current Operations
- Revenue : $ 735,000 / month (Dec 2016) [3]
- Growth rate : 12% month on month revenue growth (Dec 2016) [5]
- Operations in 10 major cities in India [1]
- Serves over 1000 merchants [1]
- Over 2500 registered riders [5]
- 30,000 orders / day [3]

Goal: Execute 100,000 orders in 15 months (from Dec 2016) [4]

Character Pole

Mission : **On demand. On Time. Every Time**

Business oriented model with a focus on

- On time deliveries - efficiency
- Serving diverse customers (retail, pharma, e-commerce, food)

Revenue Pole

- Scale: Intra urban
- Model : B2C
- Serves over 1000 + merchants

Revenue model

- The shippers have to pay a fixed price to Shadowfax per delivery
- The variable component of pay depends on the distanced travelled by the rider to service the order

Creation pole

| Customer orders on website of business partner	→	The ordered item is made at the partner's location	→	Delivery is made to the customer location by **Shadowfax**

Matching of rider to delivery by algorithm based on reducing travel time

Sellers portal

- Accurate delivery tracking with ETA

- Easy issue raising option

- Access to details like order changes and distance covered
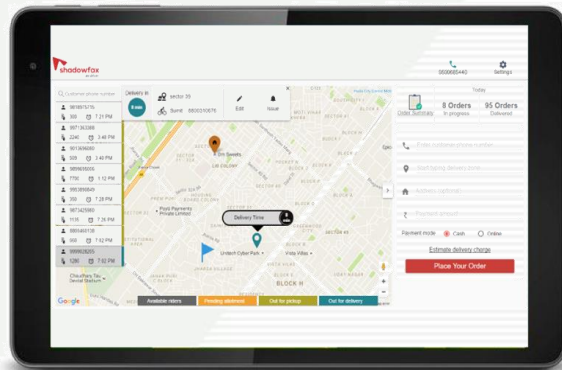
Rider App

- Location Tracker and Route Optimization

- Grievance redressal

- Payment system – (Wallets, cards, net banking)

- Performance dashboard

- Training modules
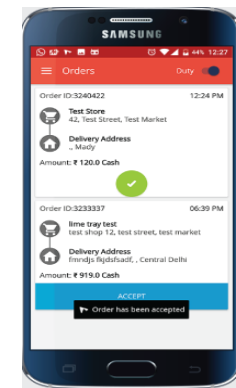
Stakeholder pole

- Couriers: Non Professional dedicated couriers

2500+ registered riders

- Recipients: Individuals

Major business partnerd

Value proposition

- Each person can carry out 18-25 deliveries/ day compared to 6-8 deliveries for in house personnel [6]

- 15 minute delivery time guarantee (for food) [6]

- Cost structure of spending 80 cents (55 Rs per delivery) an approximate 50% decrease [1] [5]

- Application for tracking movement of delivery personnel

- Attacks the problem of high attrition rate among delivery personnel (about 100% in 6 months) [6]

- For shadowfax attrition rate is 2% [8]

Competitors and market share [7]

Revenue (TTM)

- Vdeliver, 18%
- Runnr, 15%
- Shadowfax, 15%
- Grab a Grub, 14%
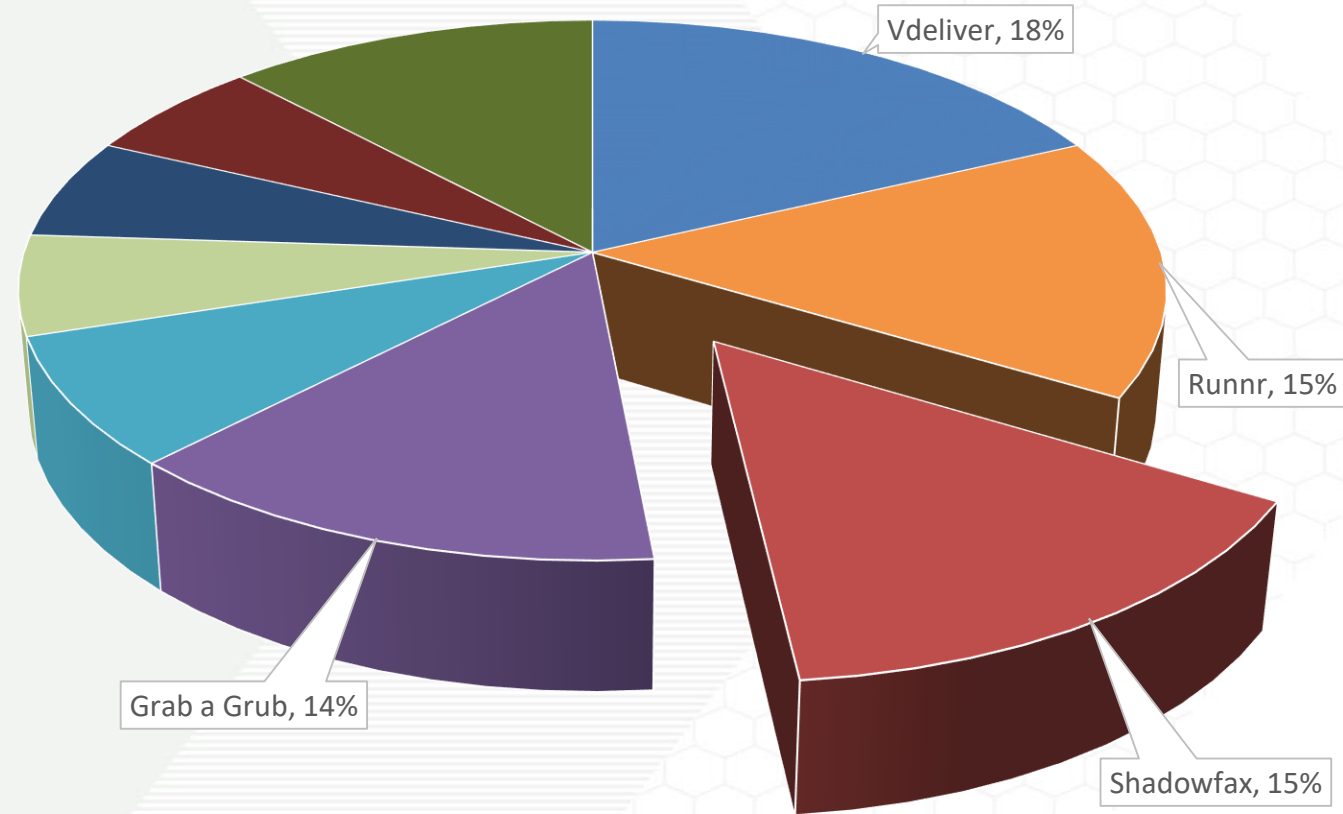
Legend: ■ Vdeliver ■ Runnr ■ Shadowfax ■ Grab a Grub ■ Packr ■ Parsel ■ Opinio ■ Quickli Tech ■ Other

References

1. http://shadowfax.in/#/
2. http://www.geektime.com/2016/12/25/indian-startup-shadowfax-raises-10-million-with-successful-pivot-from-food-delivery/
3. http://techcircle.vccircle.com/2016/12/25/on-demand-delivery-startup-shadowfax-raises-10-mn/
4. http://www.pymnts.com/payments-as-a-service/2016/using-paas-solutions-to-level-the-smb-playing-field/
5. http://economictimes.indiatimes.com/small-biz/money/at-eight-roads-shadowfax-gets-its-10m-in-series-b/articleshow/56176435.cms
6. http://www.financialexpress.com/industry/startup-shadowfax-aims-to-revamp-the-service-delivery-model-in-india-2/134780/
7. https://www.owler.com/iaApp/12051315/shadowfax-company-profile?onBoardingComplete=true
8. https://www.techinasia.com/meet-bansal-shadowfax-making-waves-in-indian-ecommerce