

“With Source.One app, even a small MSME plastic manufacturer, can avail raw materials at competitive prices”

Source.One, a new-age online trading platform, is revolutionising the conventional polymer distribution business by placing technology at the core of its operations. In an interview, CEO **Arun Singhal** sheds light on their proprietary app and how this technology has enabled them to buy, transport and deliver raw materials seamlessly. He also shared insights about how their online distribution platform is granting them unparalleled authority over the entire distribution supply chain in an interview with **Nisha Shukla**.

As one of the emerging online players in polymers distribution, explain in detail about your one-of-its kind business model. Also elaborate how Source.One is bridging the gap between buyers and suppliers?

Source.One is a tech-driven commodity distribution company that simplifies polymer distribution for SMEs in India. Founded in 2018, our trading platform connects buyers and suppliers, offers consistent products/prices, and provides end-to-end solutions. Our proprietary solutions include a pricing engine, inventory management system, credit scoring model, and traceability system.

Through its unique business model, Source.One has been able to democratise the industry. No longer does a small MSME plastic manufacturer need to buy raw materials at a higher price because of their size of operations. Neither do they have to succumb to discriminatory credit terms. We are making the widest range of polymers available at the best price to all parties, irrespective of the size of their business. This helps the MSME players to play on an even playing field.

Our company has grown to become India's largest Polymer Distribution Companies, with two key pillars:

Match demand to supply on merit:



Arun Singhal, CEO, Source. One

Not just polymers, we also match logistics needs through a 2,000+ network of transporters, and money through a network of banks and NBFCs, to the right processors. Internally too, we have matched 150+ employees with whatever they do best.

Owning the supply chain of distribution: We don't operate like a marketplace. We own the whole supply chain of distribution, right from sale, buy, logistics, finance, data, etc. thereby making it super easy for partners (Processors, Stockists, Importers, Transporters or Financial Institutions) to play to their strengths.

We heard that your business crossed Rs 2,000 crore mark in annual turnover, and you serviced more than 6,000 buyers across more than 200 districts of India. How did you achieve this milestone and what are the factors that contributed to this growth?

Our network of Processors-Transporters-Financial Institutions (FIs) helps us scale and reach the most difficult corners of the country with ease. With GST, fast-improving road network, and increased digitisation of MSMEs, we could connect most of the dots in the industry. Today we can buy-transport-deliver in most parts of the country within 24-48 hours. And this is across 100s of SKUs.

Using data intelligence, we have identified 10,000+ plastics processors and with the help of simple technology such as WhatsApp, we have been sending price updates to these processors daily. Our team of account managers connect with these potential buyers to bring more intelligence on the specific grades of polymers they need for their production. This helps us to further customise our services for each of these buyers.

We also use data intelligence to map transporters across different locations to optimise our freight between any two locations. The back-end algorithm helps to identify the most optimal dispatch location for

any buyer, thus minimising transportation time and cost.

Given your online trading platform directly connects polymer buyers and sellers, tell us in detail about how technology is revolutionising your business and helping in expanding your outreach?

More than trading, we have evolved as a whole ecosystem of trade, news, and intelligence. Today we help the industry with newsletters, market intelligence from experts, data analytics, etc. Technology has been a massive scaling tool for us. With the right technology, we have mapped most of the industry at a GPS Coordinates Level. This helps us to deliver value at scale. For example, if there is a shortage of a product in a certain part of India, we will be there before anyone with the help of our data intelligence.

Given the polymer business follows a very traditional approach when it comes to buying and selling. Are you providing any training or technical assistance for these individuals?

Polymer Businesses used to operate traditionally. But with post GST implementation and digital initiatives by the government, the industry is fast moving to adopt modern ways of digitisation. For example, today 40 per cent of our business comes through our mobile apps. Overall, the industry has embraced technology much better than most commodity industries.

We understand that adoption of any new technology takes time. Hence, despite having our own buyer app, we never insisted buyers on using it exclusively for placing orders. Given most of us are very WhatsApp savvy, we decided to go ahead with this platform and drive technology adoption in this industry. With time, we have been able to fetch 40 per cent of our buyers from WhatsApp to our mobile app with the help of on-call and video-based training.

How has your online platform benefited both large and small enterprises in the ecosystem.

Be it large or small, most processors participate in the market at different times of the year. The market, as they say, is a great equaliser. We serve the smallest to the largest of processors and stockists, both on the demand and supply side at different times. For example: during Covid times, when everything stood standstill, we worked with large enterprises to liquidate their inventories and helped them move towards essential categories. For us, it's the horses-for-courses policy that works. We also do offer price customisations in the form of volume discounts.

Tell us in detail about your credit services?

We have tied up with a network of banks and FIs to serve credit to processors. Overall, with access to credit at a competitive cost, our processors can compete with the best in the world. We have always kept credit as an enabler for the right processors, who have shown growth and hygiene in their financials.

Additionally, how do you address emergencies or shortfalls in the materials to meet your customers' demands?

With the right network of stockists across 28 states, we can service - 97 per cent of all just-in-demand requirements. We work very hard to increase supply network throughout the year.

How do you ensure a customised solution for every customer?

The simple answer is Data. At various points of a processor's journey, we have collected different data points and used them to provide a better experience next time. For instance: we map the application against each processor to provide the most relevant information. We have even mapped the Price-vs-Brand preference of each processor based

on the past transaction history.

How do you ensure a sense of transparency, consistency, and quality in every transaction you undertake?

We keep it simple: work on merit. We have created close to 32+ buyer profiles to be able to operate both fairly and profitably. Normally, fairness and profits do not go along together. But if you dig deeper into profiling your market, this is possible to achieve.

How does Source.One incorporate sustainability practices into its operations and products?

Being into distribution, we see some sections very closely and contribute very effectively. For instance, we work with importers to deliver a Port-to-Factory experience to 1,000s of Processors. This saves massive amounts of fuel and costs in the whole supply chain. We also work with a few NGOs in recycle-to-reuse of plastics and are closely working to integrate their operations with ours.

You have doubled your workforce in the past few years, how do ensure hiring the right talent for your business?

Product industries have overall lost in the talent war to services. And within products, commodities are one of the worst-performing. For us, two things stand out when attracting talent:

- the experience of watching disruption from close quarters, and
- witnessing technology work at scale. We hope to grow further from here.

Tell us about the future/expansion plans for Source.One in India? Also, any plans to diversify into other segments?

Yes. We will further expand to major commodities in India, both chemicals and non-chemicals. We will stick to distribution and help the ecosystem to grow. We have created teams and are hopeful to see traction soon. 🚀