

Ideacts: Ads on the desktop

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If you have gone to a cybercafé in any major Tier-1 or Tier-2 Indian city, chances are that you have used CLINCK – a little program that uses the empty desktop space on computer screens to show ads on the latest local deals.

Ideacts Innovations – the creator of CLINCK – is the brainchild of three Puneites who left their jobs in the pursuit of their entrepreneurial dreams.

Backed by venture capital firms Sequoia Capital and Silicon Valley Bank (SVB), Rudrajeet Desai, Maninder Gill, and Saurabh Khullar – the founders of Ideacts – cherish the dream of taking their company to the Silicon Valley Hall of Fame that includes Google, Microsoft and Yahoo.

THE IDEA

The concept of Ideacts came about at a cybercafé near FC College, Pune, in 1999 when the trio realised that the empty space on the desktop was yet to be commercially exploited. Maninder developed an application which replaces the desktop with custom software that shows advertising content on one half and provides user utilities on the other half to make Internet surfing more user-friendly.

Ideacts generates revenues from its advertisement contracts from corporate majors, part of which it passes on to the cybercafé owners who run Ideact's software on each of their terminals.

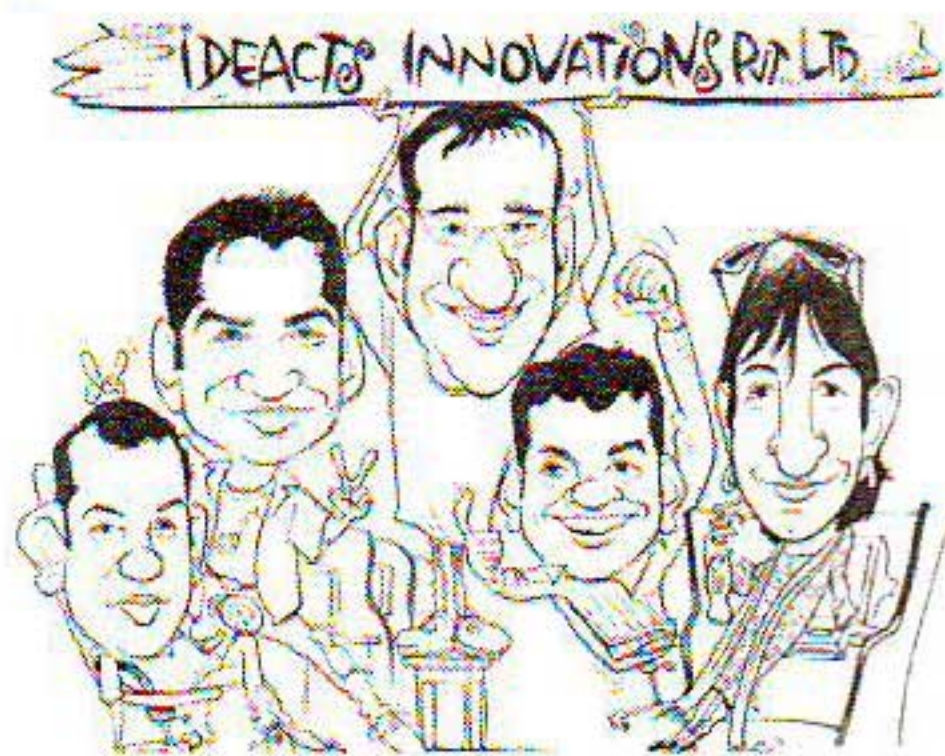
Apart from the monetary incentive, the cybercafé owners also derive benefits from providing improved Net-surfing experience to their customers.

PAST, PRESENT AND FUTURE

Ideacts was initially launched in 2001 with a network of 40 cybercafés in Pune and three advertising partners. Unfortunately, four months into their operations, the dot-com bubble went bust and the trio decided to postpone their entrepreneurial dream by a few years.

Finally in May 2007, the three re-launched the company from a 150 sq-ft "ex-Xerox shop" in Bangalore.

By July, the company was running a profitable business and their mentor and serial entrepreneur, Alok Kejriwal, decided to introduce the team to Sequoia Capital. R. Ramraj, Co-foun-



der of Sify and senior advisor to Sequoia; and Mohit Bhatnagar, Managing Director, Sequoia, felt that the core Ideacts team had complementary skills, high levels of energy, and a unique well-executed idea, which made it an attractive investment.

With strong investment partners and an experienced board, Ideacts has made a quantum leap from its 150-sq-ft operations in Bangalore to a full-fledged nationwide rollout.

The 100-employee-strong company has already partnered with 160 advertisers and created a network of over 4,000 cybercafés in 58 cities across India.

Currently Rudrajeet, CEO, and Saurabh, Head Sales, criss-cross the country to talk to advertising partners and execute Ideact's vision on a national scale while Maninder heads the technology centre in Pune and develops the next generation of Ideacts applications. The company expects the number of partner cybercafés to double by the end of this year.

TIPS FOR ENTREPRENEURS

The founders and the venture capitalist firm executives seem to agree on a common theme – "Investments are not made on PowerPoint slides."

It is important to have a working business model, and not just a proof of concept before approaching a VC firm, says Saurabh.

Mohit adds that having a proven customer base is important before pitching to a VC firm.

Finally, Rudrajeet thinks entrepreneurs should avoid individual investors and only approach institutions. They not just add funds but also bring experience and industry contacts to the table.