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If it's broken, fix it: Startup takes on shrimp industry in India

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By James Wright

Aquaconnect pursues its 'omni-channel marketplace' goals with predictive algorithm



A shrimp farm worker at a pond in Tamil Nadu, India, where startup Aquaconnect has helped thousands of producers get the equipment and services they need. All photos courtesy of Aquaconnect.

Years from now, the story might be told like this: A tech guy and a shrimp farmer who randomly met on a train in India one day teamed up to start an innovative venture that ultimately transformed the way a \$6 billion industry conducted business.

Self-described “serial technology entrepreneur” Rajamanohar Somasundaram (Raj for short) believes that wondrous tale could be the future of Aquaconnect, a startup aiming to create the largest shrimp farming network on the Indian subcontinent.

It's well on its way: Co-founded just last year with aquaculture veteran Sanjai Kumar, Aquaconnect has already signed up more than 3,000 farmers with 600 customers.

And it's true – it all started with a chance encounter on a train when Raj overheard Kumar talking prices and deals on his mobile phone.

“As an entrepreneur, I just had to find out what this guy was talking about and why so many people wanted to speak with him,” said Raj, who previously ran tech ventures in South Asia and Africa. “He was talking about selling shrimp. In the space of an hour, I got a lesson from Kumar in shrimp trading more complex than Wall Street.”

During a subsequent visit to Kumar's farm, he discovered a fragmented market dominated by a few powerful players while the shrimp farmers themselves struggled to make a profit.

“I realized how broken and unfair these market conditions were,” he said.



Aquaconnect co-founder Raj Somasundaram on the waterfront in Bergen, Norway, where he and his business partner participated in the business accelerator program Hatch.

With a mission of bringing fairness and value to shrimp producers, Raj and Sanjai are building what they envision as an “omni-channel” marketplace for Indian shrimp farmers, “something like what Amazon has done for everyday things,” said Raj. Aquaconnect helps farmers access quality postlarvae from hatcheries and identify affordable farm inputs like feeds, probiotics and water-treatment chemicals.

The company began operations holding products in inventory to enable quick delivery and prove the concept and has since enlisted the services of 10 “aqua shops” in two states in India. Aquaconnect is based in Chennai, in the southern state of Tamil Nadu, and is now expanding into Andhra Pradesh. It operates a toll-free call center (1800-123-1263) in four languages – Telugu, Tamil, Hindi and English – and some of its 12 employees act as “on-field digital assistants” that impart technical knowledge to producers.

“Also, we help farmers find market access when they are ready for the harvest. Our predictive algorithm maps the requirements of each stakeholder in the ecosystem and matches based on their requirements,” said Raj. “Our idea is to become a one-stop shop for Indian aquaculture needs.”

The company’s co-founders recently completed a three-month business accelerator program in Bergen, Norway, that they learned about on Facebook. At **Hatch** (<https://www.aquaculturealliance.org/advocate/seafood-startup-city-accelerator-hatch-bergen/>), they discovered new friends and potential partnerships, gained confidence and developed connections to investors to scale their business. Raj told the *Advocate* that the company recently got a \$100,000 contract from a feed company to assist them in piloting their product in India, thanks to the connections it made a world away in Norway.

“In my view, Hatch was one of the best places to be incubated. Being at the heart of the action in ‘Salmon Valley’ helped us connect with the best players in the industry, be it feed producers, feed additive producers, biotech companies, fish health companies, research institutes – we had them at a throw-away distance,” said Raj. “Feedback, feedback, feedback! You get a ton of useful feedback, both on your idea and how you’re presenting it.”

He credited Björgólfur Hávarðsson, R&D manager at The Seafood Innovation Cluster and Miami-based investor Palmi Palmason as valuable mentors he met in Norway, in addition to the Hatch team, led by founder **Carsten Krome, Ph.D**



Aquaconnect co-founder Sanjai Kumar at a shrimp farm in Tamil Nadu, India.

(<https://www.aquaculturealliance.org/advocate/aquaculture-exchange-carsten-krome-alimentos-ventures/>).

Krome said that many companies trying to supply Indian shrimp farmers struggle to understand their customers. Aquaconnect is solving this problem, he said.

"The founders have a perfect mix of long-term shrimp farming experience in India as well as international business entrepreneurial experience," said Krome. "Therefore, you'll know that any product or innovation sold through Aquaconnect's platform has been vetted properly and has potential to be adopted by small, medium and large shrimp farms across India."

Along with Aquaconnect, Hatch took seven other startups – including **Manolin** (<https://www.aquaculturealliance.org/advocate/now-hatching-millennial-duos-aquaculture-analytics-software/>), and **Verifik8** (<https://www.aquaculturealliance.org/advocate/app-aims-to-bring-clarity-to-seafood-traceability-social-compliance-data/>), – on a valuable journey that transformed their business plans and trained them rigorously for "demo day" presentations in June in front of numerous investors.

"Most of us agree that we can learn a lot from our mistakes, but a mentor with high success rate will double the chances of your success. The type of mentor has already walked in your shoes; he or she can help you with industry-dependent challenges like managing finances and choosing suppliers," Raj said. "Hatch made each of my fellow founders feel like rock stars!"

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