

## INTERVISTA

## Moving Ahead in E-Commerce

In the present scenario, e-commerce platforms have certainly made a lot of difference in easing the once complicated procedure of paper work and travel. In fact, the new changes in coal block allocations or mines allocation are based on e-auctions. We at Steel 360 interviewed SK Rakshit, Vice President, SteelEZ to elaborate on the scope of e-auctioning activities and share his plans for taking this e-commerce platform to greater heights. SteelEZ is a B2B e-commerce platform incorporated in 2005 and is now valued at over INR 60 million, crossing over 2 mtn of sales.

### Q. How can e-auction of steel & by-products be more advantageous than regular selling?

A. E-business, empowered with tools such as e-auction, is a sought after development for industries selling steel and scrap as raw material to manufacturers. In an e-auction, whenever and wherever quantity of steel or scrap one needs, can look for it on the website and place bid. Steel and Scrap industry is not organized; therefore, there is no benchmark price. As a result, bidding on any product needs a market reference price and bid reference price peddled by other bidders. Market reference price can be learned from various websites those publish NCDEX, Mandi Gubindgarh and other prices. But for a person's bids to create market sentiment, you need an e-auction tool. Prospect of e-auction here plays a vital role.

### Q. How are e-auctions more beneficial than the sealed tenders?

A. One of the reasons for success of e-auction industry is its quick procedure. Suppose a trader received a bulk order to supply melting scrap to a company like Jindal. In order to establish his reputation with the client,

this trader will buy the required quantity at any price. Therefore, he will put the bid with the highest bidder, let's call it H1. Advantage for seller is the opportunity for price discovery, which is only available with e-auctions.

In sealed bid model, the buyer submits maximum product price that he can afford. It is not a comparative price like in e-auction. Sealed bid model is useful where material is sold to pre-qualified buyers. Allocation is based on requirements of potential buyers (also known as SOB - Share of business) matching H1 price.

We at our company use customized model called sealed bid-sum-auction. H1 price of sealed bid is taken as start price and e-auction bids are then taken. This model converts sealed bid buyers to e-auction bidders.

### Q. How can you say this system of sale is much more 'Transparent'?

A. The process is very transparent as bids are from bidders located somewhere but visible on our portal. Buyers themselves negotiate for the price without any interference from seller. In fact it is beyond the control of sellers to negotiate the bid. Later, buyers can see if bid is closed in their favor. Secondly, with the improvement of IT technology, bid summary recorded in database developed from audits, is available for investigation.

### Q. Is there any 'price benchmarking' for the system?

A. As such there is no price benchmarking for the system. Firstly, there is no standard product specification. Though, ISRI (Institute of Scrap Recycling Industries) has published some product specification. In India, such product specification is not followed. Therefore, no benchmark can be set based on product specification. Secondly, recovery or removal of



SK Rakshit, Vice President, SteelEZ

finished product from scrap varies from industry to industry. Thirdly, generation of commercial usage items vary from industry to industry. One of the reasons why e-auction industry works is that there is no benchmark of price.

However, there are reference prices available in the market. Say, finished ingot selling price compared to HMS price, will give % difference between raw material and finished product. Similarly, plastic granules are manufactured from crude oil slag as well as from plastic scrap. Therefore if crude oil price falls, plastic scrap price will also drop.

### Q. What distinguishes SteelEZ from its competitors?

A. SteelEZ's unique market analysis system and full-fledged market-making operations bring about discovery and adoption of new steel buyers onto our platform. Our clients can transact with a wider buyer base and, through specialization of Kaizen, sell smaller quantities at higher per unit prices. E-selling has also facilitated removal of intermediaries from the supply chain. Apart from regular e-selling, we assist in quick and speedy disposal from sellers' respective plants. Also, our platform provides our members an effective and reliable market place with up-to-date pricing and market information. Through strict Professional Evaluation System, SteelEZ has built a safe and trustworthy online community, which saves time and ensures quality. ■

## Steel the Deal on SteelEZ



We connect buyers and sellers on a common platform enabling a smooth disposal of steel and industrial scrap.

### Ferrous, Non Ferrous, Idle Assets, Scrap, E-Waste, Machinery and Mixed & Miscellaneous items.

- 10,000+ Registered Bidders All Over India
- Timely Disposal & Cost Saving
- Benchmarking & Price Discovery Mechanism
- Higher Realisation Through Competitive E-Bidding

#### Our Clients:



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