

Skyscend: Bringing AI and Blockchain to Procurement



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CEOCFO Magazine

CEOCFO: Mr. Chaya, what is the vision behind Skyscend?

Mr. Chaya: Skyscend's vision is to make the procurement easy, painless and transparent.

We make it easy because our product is WCAG (Web Content Accessibility Guidelines) and ADA (Americans with Disabilities Act) compliant. It is easy to use for all business owners.

The second aspect is that it makes the procurement process painless. As we use tomorrow's technology such as Artificial Intelligence, the pain-points of procurement are very well addressed by Skyscend and make the entire process facile.

Finally, we ensure utmost transparency in the procurement process. We could make it happen with yet another emerging technology, Blockchain. We write every record of action in our product to the blockchain ledger. This is immutable and nobody can hack that system.

In this way, Skyscend has set a grand vision 'to make the procurement easy, painless and transparent'.

CEOCFO: How do you get people to recognize it can be easy?

Mr. Chaya: We commenced our operations as a procurement services company in 2016. Initially, we focussed on SAP services in the public sector, for example, the County of San Diego. The leadership wanted to move forward in expanding our presence into commercial. As a result, we picked-up clients such as Mohawk. By the time we traversed three years, COVID 19 hit us and thus we could not get new projects during 2020. Our team of a dozen employees and consultants each, had to remain idle as there was no work in hand. During this momentous period, we built another vertical for our product.

I have a great team that works together seamlessly, and the product came together very quickly. The team has more than 50 collective years of IT experience and have been listening to our customers for the past 20 years. So we quickly merged the business need with the technology. Thus, we are currently vertically integrated. Early on, we signed our first client and we have kept adding new features continuously. Our product is SaaS-based, and there are 300 to 400 potential clients within that pipeline who are evaluating our product.

CEOCFO: How do you create a product that works so well and is intuitive for the user?

Mr. Chaya: Agility and speed have been the key drivers of our success. Five years ago, it would have taken us five years to build our product. But today it takes us barely three months because we have the best people, the best resources and relevant ideas. In addition, our customers offer their valuable insights on how the products should work. Today, many people will come with cloud products and tell you what they can do. However, you would need to change your process to match it. Whereas, with our product, you would take your product, we provide the best practices, and facilitate you to migrate to the new process. Further, we can tailor them to our customer's needs and requirements. This is possible because we have the best engineering team with a crystal-clear product roadmap together contributing in designing the product based on the customer requirements. Anyone can build a product in today's world but Skyscend's products are agile and blend with your existing ecosystem.

If you look at ten to fifteen years back, all big corporations such as SAP, Microsoft and Google, required you to have a server with everything installed on it, and then build the application on-top of it. This required a huge investment of efforts, energy and funds.

Today, you can get so many services in the cloud. AWS is a great example. They offer you the web management services; combine that with blockchain services and AI. With these offerings, entrepreneur can build a product from an idea that they have in their minds. It is, therefore, needless to say that today's world is all about artificial intelligence, cloud and blockchain. Skyscend rightly puts it together in a way that makes procurement simple and painless.

"Skyscend's vision is to make procurement easy, painless and transparent. We make it easy because our product is WCAG (Web Content Accessibility Guidelines) and ADA (Americans with Disabilities Act) compliant. It is easy to use for all business owners. The second part is that it is painless, as we use tomorrow's technology such as Artificial Intelligence, to make the painful aspect of procurement go away. The final piece is, we make it transparent using another upcoming technology, blockchain."
Chayapathy Gangadarappa

CEOCFO: Is there a particular customer focus?

Mr. Chaya: One of my grand visions is to help all small businesses. Today, we have something called supply chain financing which has interesting dimensions. A buyer places a purchase order with a supplier and the latter fulfils the same. At the time of submitting the invoice, the supplier should be able to sell that invoice to the bank or to any trader who wants to buy it. The rationale being, you have the commitment from the buyer to pay that invoice in the next 45 days. In the meantime, if the supplier wants the money today, it calls for supply chain financing. However, there is no such network in the world today to support small businesses with supply chain financing. Therefore, we are bringing supply chain financing access directly to small businesses through our product. This is a great new option that we have built during the past six months.

CEOCFO: Would you tell us about your SkyscendPay?

Mr. Chaya: SkyscendPay is a SaaS-based product that helps organizations who are managing their procurement processing with Excel spreadsheets and Word documents. SkyscendPay automates the Purchase Order to Invoice process, and it focuses very much on the invoices. We built SkyscendPay mainly to offer the best experience for painless invoicing. As soon as we get the purchase order from the buyer, the supplier can submit the invoice to get paid. SkyscendPay handles creating and sending it to the buyer. This removes the need for lists of invoices. Further, there is no more creating the invoice manually and no more worrying about meeting the requirements of the buyer's system to have your invoice processed correctly.

To submit the invoice today, every procurement department has its own network and there can be multiple credentials to be remembered for each buyer system. What we are bringing through SkyscendPay is that suppliers use a single logon account, with available Gmail and Facebook integration, if preferred. SkyscendPay can create the invoice or the supplier can take a picture of their invoice using their smartphones and use that image to submit the invoice for a particular purchase order. If the supplier's invoices are in a format that does not work with the buyer's system, SkyscendPay will read that invoice and handle the adjustments and send it to the vendor.

We are also going with the mobile approach to our product. As soon as they submit the invoice, our AI enabled processor, which we call OCR (Optical Character Recognition), extracts all of the data from that picture and creates an electronic invoice. With each supplier, the system remembers what each tag was, what the vendor number was, what the purchase order number was. Then it feeds that invoice into the procurement system that the client has. At the time of submitting the invoice if there are any exceptions, in today's world, there would be long running calls and multiple emails to make one payment if there is any quality disturbance. Therefore, the payment cycle could take many days. What we are trying to do is to identify those errors before they become problems. We would push those errors back to the suppliers, letting them know that they are trying to submit the wrong invoice. If they submit it in the 'as-is' form, it would be stuck in the buyer's system, so it will never be approved. We would ask them if they would like to fix the invoice in the system before submitting it to the buyer. Those are the errors that we are pushing from the buy side of the AP department, back to the supplier proactively. As a result, the buyer's AP team can focus on more valuable business processes, rather than clearing these exceptions in the invoices.

We also have a payment gateway for the buyers to pay directly. We write every transaction in the ledger so that in the future we can trade these invoices as securities in the trading platform. Today there is no platform for that, but this is what the SkyscendPay does. Skyscend will revolutionize the whole procurement process today for both smaller suppliers as well as large and small buyers alike. The Skyscend platform will bring a bigger change to the small business suppliers than any other company today.

CEO CFO: Do you anticipate customers taking advantage of the full array of your services right from the start or a company start with one and then add others as they go along?

Mr. Chaya: What we have done in designing our product is make these features as options, so that they can add them at any time. For example, for a question on "Do you want workflow in your SkyscendPay?", they would click their preference. Based on the feature they select, we would price the product for them. It is not an all-in-one product, where you may have a bunch of features that you will never use. We go by the features that you opt into, and that is how you are charged.

CEO CFO: What is your strategy for the next 6 to 12 months? What will you be doing at Skyscend?

Mr. Chaya: We have decided to raise funding. When we go to the public to raise the funds, there are different stages such as the pre-Seed, the Seed, and then the post-Seed, where you have the Series A and Series B. The pre-Seed is where you have an idea, so you want Venture Capital investment in your company. The Seed phase is where you have your idea and you have built the product. The post-Seed is where you have built the product and you have your first customers. We are at the post-Seed phase, and we are aiming to raise up to \$10 million to expand ourselves into emerging areas such as sourcing contracts with accompanying blockchain processes.

We have the Skyscend public network for all public sector clients, such as County and government agencies. Their procurement model fits very well with our network with an added benefit of WCAG and ADA compliance requirements. Government agencies have to provide that easy and frictionless experience to small businesses. We are proving that simplicity and ease of use are not only for the big businesses. Therefore, we see a great deal of value for both small suppliers and public sector entities, with customers being on-boarded, as we start raising funds. It's certainly a very exciting time for Skyscend!

