

Unlocking Value Through Hybrid Growth

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Hybrid Growth # Hybrid Business Model

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For a while now, part of India's business community has adapted its approach to the language of growth. In addition to the standard unicorn headlines, family businesses, listed small and medium enterprises (SMEs), and high-growth businesses are operating under a hybrid model of legacy asset assurance, together with the flexibility and adaptability of innovation-based business. This essentially telescopes capital from legacy asset-heavy sectors (real estate, logistics, and manufacturing) into hyper-growth innovation sectors (SaaS, proptech, healthtech, and green tech).



For further context, the entire real estate market in India is set to grow to USD 1 trillion by 2030 and contribute around 13 per cent of GDP by 2025, which provides an idea of the magnitude of the asset base available for innovation. An asset-led business allows hybrid business ventures to monetise their own intrinsic resources instead of borrowing large amounts from external sources, leveraging means-tested credit, while giving them more resilience, enhanced risk management, and longer-term value creation.

The robustness of this hybrid model is its ability to turn legacy strengths into innovation engines. Leveraging legacy strengths becomes critical for India's micro, small, and medium enterprise (MSME) sector, contributing nearly 30 per cent to the GDP and over 45 per cent to exports when increased productivity compression and constrained financing come into play. Attaining productivity efficiency allows hybrid operators to embed data, automation, and intelligence into their operating model to fund their future-ready verticals while aligning with evolving market demands—driven by digital transformation and sustainability commitments. The hybrid business model can deliver scalable and sustainable growth that is increasingly robust amid the ambiguity of today's economy.

A stark example of this hybrid value creation is the convergence of real estate and technology. In a country that sees land and infrastructure both as stores of wealth and instruments of place identity, inventive developers are using land with negligible value or potential and with a gentle push, exponentially shifting that land's potential value in the name of innovation. Developers, small, mid-sized, and large, are transforming land to support smart or tech-enabled innovation.

Logistics parks are becoming real-time platforms, integrating Internet of Things (IoT), fleet, and inventory management systems based on artificial intelligence (AI), while commercial buildings have harnessed tools for energy optimisation and dashboards that track environmental, social, and governance (ESG) compliance and climate impact. In the data centre space, the sector has received USD 15 billion in investment since 2020, with an additional USD 20-25 billion expected by 2030, demonstrating how real estate assets are being recast as vital digital infrastructure. Technology integrations can enhance asset yield, reduce payback periods, and create recurring revenue sources, making real estate an architect of growth and not just a store of value.

Residential buildings are deploying ideas from proptech, incorporating platforms to offer virtual tours, AI applications for buyer matching, and real pricing in real-time. Real estate models are changing from asset-intensive to asset-intelligent, where continuous data and digital automation elevate traditional firm-level innovation with agency and intelligence at the centre of the model.

Smart capital rotation is a defining characteristic of hybrid companies. Many companies leave their assets vacant without generating value and, as such, divert resources away from future, scalable, high-growth opportunities. For example, a manufacturer may earmark their excess land into an IoT-enabled site for their production facility, especially if the site is agglomerated with other amenities or serviced by intelligent logistics folk. A logistics company may convert rental income from vacant warehouse space into capital for building its last-mile optimisation platform. A real estate developer could convert one stream of steady earnings to support a new R&D function for developing green buildings. All these constructs create buffers that are internal to the business. These moves create internal buffers, reduce vulnerability to funding cycles, and embed operational discipline. Legacy assets thus become engines of innovation, enabling growth that is ambitious yet anchored.

India's growth story is now increasingly reliant on sustainability, home-grown innovation, and ESG compliance. Hybrid operators are uniquely positioned to help advance these national priorities through investing in climate-resilient buildings, building energy-efficient logistics, and investing in Make in India technology platforms. Hybrid operators are not only complying with their ESG responsibilities but are also establishing a competitive advantage in capital attraction. As smart city investments and the mass digitisation of urban and industrial environments continue, the merging of physical assets with digital capability makes them highly attractive investment vehicles.

The hybrid model provides parity to MSMEs, allowing them to achieve the agility, resilience, and strategic foresight of big corporations. Hybrid operators combine construction, technology, and financial models into single integrated offerings to deliver efficiencies, spur innovation, and disrupt existing single-sector operators. The next few years will be characterised by accelerated technology-enabled asset monetisation, with real estate developers utilising SaaS-based tenant management applications and logistics companies deploying AI-powered routing and compliance tools. Integrated hybrid approaches deliver elevated performance and amplify revenue streams.

The story of India's hybrid enterprises is about more than staying relevant; it's about institutionalising a growth framework that has quietly evolved over decades. In today's uncertain economic climate, it offers a clear roadmap: leverage legacy strengths, invest in innovation, and build systems that are resilient, sustainable, and scalable.

Hybrid growth is not a trend. It is a deliberate strategy for reinvention, resilience, and intergenerational value creation in a landscape where India's proptech market is projected to grow at a compound annual growth rate (CAGR) of over 16 per cent, renewable energy capacity is set to reach 500 GW by 2030, and AI-driven logistics is expected to unlock billions in efficiency gains. For businesses willing to embrace it, the rewards extend beyond shareholder returns, towards a stronger, more competitive, and inclusive Indian economy.

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