

Book India Inc.

How India's Top Ten Business Leaders are Winning Globally

Vikas Pota
Nicholas Brealey Publishing, 2010
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Recommendation

An old Hindi proverb says, “Mare bina swarg nahi milta.” Never have truer words been spoken. In fact, this adage could be the mantra of all 10 visionary, gutsy entrepreneurs profiled in Vikas Pota’s book about celebrated corporate leaders in India. Pota’s treatise offers intriguing insights into the backgrounds, beliefs, values and attitudes of these highly prosperous business leaders. While Pota’s access to such renowned members of India’s commercial sphere is impressive, his minibiographies do not contain much practical advice on how to emulate these stars or how to establish an enterprise in India, and the stories overindulge in figures and statistics, which hinder reading. However, *BooksInShort* recommends this book to global managers seeking a solid overview of India’s business environment and to those looking for inspiration to launch a start-up anywhere in the world. And that old Hindi proverb? “Without death, there can be no heaven”: Great things can only be achieved through great effort.

Take-Aways

- Ten entrepreneurs exemplify India’s progress: N.R. Narayana Murthy of Infosys is a moral leader. He believes entrepreneurship is the only way to rid society of its ills.
- Media mogul Subhash Chandra is a plucky entrepreneur. His media empire engaged in a protracted battle with Rupert Murdoch’s STAR TV network.
- Objective businessman Malvinder Singh had the guts to sell the family business, drug maker Ranbaxy, when reflection told him it was the right decision for the firm.
- K.V. Kamath of ICICI Bank values fidelity and develops employees for the long term.
- Kiran Mazumdar-Shaw persevered in the face of rejection and built a vast biotech firm.
- When Subramaniam Ramadorai led IT firm TCS, he scaled up to boost its growth.
- Kishore Lulla’s strong faith in Bollywood drives his success in the movie business.
- Tulsi R. Tanti’s passion for his industry – wind energy – is evident in all he does.
- Shiv Nadar, founder of HCL, an IT giant, prospered because he is a “big picture” leader.
- Baba Kalyani’s conviction that he should take a bold risk and invest heavily in forging operations when his product sales were in a slump paid off for him and his firm, BFL.

Summary

The Indian Commercial Juggernaut

The 10 Indian entrepreneurs documented below are tough, resilient, determined and visionary. They have strong self-confidence. Many have overcome incredible odds with minimal resources while dealing with a tightly controlling bureaucracy. These gritty, opportunistic individuals are helping to transform India into a rising superpower as they turbocharge its economy. They are forcing businesspeople the world over to pay attention to the “Made in India” brand as they turn their companies into dominant global enterprises.

N.R. Narayana Murthy, Co-Founder of Infosys Technologies

As a young man, N.R. Narayana Murthy was a Communist, but a violent run-in with Bulgarian guards in 1974 provoked him to rethink his ideology. He came to believe that entrepreneurship is the only way to rid society of its ills. Murthy co-founded Infosys Technologies, a software and “information infrastructure” company, in 1981. It is the “largest publicly traded software” enterprise in India and was the first Indian firm listed on Nasdaq. Annual revenues reached almost \$5 billion in 2007-2009, and the firm has more than 105,000 employees globally.

“This is the first time in the history of the world when a developing country like India has been the writer of the rules of the game.” (N.R. Narayana Murthy)

Many people refer to Murthy as “the Bill Gates of India.” But although he is now a billionaire, he had to borrow \$250 from his wife, Sudha, to buy his stake in Infosys, which he set up with six engineers. After nine years of hard effort, Murthy’s partners wanted to cash in and sell the company for around \$1 million. Murthy firmly opposed this idea. He had strong faith in Infosys. If his partners wanted to sell their interests, he promised to somehow raise the money to buy them out. His partners were so impressed with Murthy’s faith in Infosys that they kept their money in the company. Smart move. Infosys is an exceptionally competent firm. Across the globe, about 65% of all software projects finish on schedule and within budget. Infosys’s average is approximately 92%. Murthy is an exemplary ethical leader. He donates liberally to Indian charities, cares for the environment and refuses to exploit struggling IT firms.

Subhash Chandra, Founder of Zee TV

Subhash Chandra, chairman of Essel Group, launched Zee TV in 1992 to provide both the huge Indian diaspora and India’s indigenous population with homegrown Indian TV programs – “reality shows, melodramatic television serials” and “chat shows” – which he transmitted via satellite. Chandra is a fearless leader. He engaged in a protracted court battle with global media baron Rupert Murdoch, and his Zee TV competes fiercely with Murdoch’s STAR network. Zee TV now has more than “500 million viewers in 120 countries.” The company operates 28 TV channels in India and 18 channels in other countries.

Malvinder Mohan Singh, Former CEO and Managing Director of Ranbaxy

During his reign as CEO of Ranbaxy, a generic drug producer that ranks among the top 10 pharmaceutical manufacturers in the world, Malvinder Mohan Singh doubled the firm’s profits. He mastered the art of acquiring valuable firms to strengthen Ranbaxy’s breadth. He also developed joint ventures with the world’s leading drug manufacturers for research and development, an unusual step for a generic drug manufacturer. And, he accomplished these triumphs before his 38th birthday.

“Not taking a risk is the biggest risk you can take.” (Malvinder Singh)

Singh places a strong premium on “objectivity”: For instance, in 2008, he sold the Singh family’s long-held interests in Ranbaxy to Daiichi Sankyo because he realized the Japanese firm could provide the business with more resources than his family could. This \$4.6 billion deal made Ranbaxy the 15th-largest pharmaceutical firm in the world. Singh became chairman of the newly expanded company, a role he resigned from a year later due to a drop in profits. Indeed, Singh sold his family’s shares just before the bottom dropped out of the stock market. He owns and manages numerous hospitals in India and is group chairman of Religare, a “nonbanking financial services” firm that describes itself as the “investment gateway of India.”

K.V. Kamath, Chairman of ICICI Bank

With assets of \$102 billion and 1,520 branches worldwide, ICICI Bank is India’s “largest private bank.” K.V. Kamath, its chairman, successfully steered the giant financial services firm through the 2008-2009 global fiscal crisis that crippled so many other banks and financial institutions.

“It is an Indian genetic trait that we have always been a country that has looked at ways to get the maximum out of the minimum.” (Kamal Nath, India’s former minister for commerce and industry)

Kamath started at ICICI in 1971 as a specialist in project finance. Eventually, he became the executive assistant to S.S. Nandkarni, the firm’s chairman. In 1996, Kamath became ICICI’s managing director and CEO. He made numerous prominent acquisitions as CEO, including the Bank of Madura. In 2000, the New York Stock Exchange listed ICICI, and in 2003, Kamath united ICICI, the parent firm, with ICICI Bank, a huge merger at the time.

“The developed world has conquered using brands. India still doesn’t have a super brand, but that is not particularly surprising because the Indian success story is only 20 years old.” (Anshu Jain, Deutsche Bank)

Kamath cherishes loyalty. Except for a short spell at an advisory firm in Indonesia, he has worked at ICICI for his entire career. He expects the same fidelity from his employees. He aims to develop “the best and brightest bankers,” and to inspire them to commit to ICICI for the long term.

Kiran Mazumdar-Shaw, “Queen of Biotech”

At a young age, Kiran Mazumdar decided to follow in her father’s footsteps and become the Chief Master Brewer and Managing Director at United Breweries, a famous Indian alcoholic beverages firm. She qualified as a master brewer at a top Australian university. However, upon her return to India, she found that prejudice against women in the brewing industry prevented her from working professionally in her chosen field. But this did not dissuade Mazumdar-Shaw from putting her hard-won knowledge to work. A persistent leader who never quits, Mazumdar-Shaw invested \$250 to start her own firm. She founded Biocon, the biotechnology company she now heads, in a small garage in Bangalore. She applied her “knowledge of brewing and fermentation” to producing medicines. Her gamble paid off: Biocon is now Asia’s biggest biotechnology company, with worldwide sales of \$712 billion. Mazumdar-Shaw is India’s richest female entrepreneur.

Subramaniam Ramadorai, Vice Chairman of Tata Consultancy Services

Tata Group, the mammoth Indian conglomerate, has a commanding presence in numerous industries, including steel, textiles, hotels, energy and IT. The Tata Group is so big that it “accounts for around 4.3% of the total value of the Bombay Stock Exchange.” Subramaniam Ramadorai is vice chairman of Tata Consultancy Services (TCS). When Ramadorai became CEO of TCS in 1996, the firm had only 5,000 employees. In the interim, TCS has grown to around 130,000 employees, successfully scaling up its operations and activities. Ramadorai believes that TCS eventually can have the same breadth as IBM. One of the reasons for TCS’s success is its close-knit family mentality, a typical Indian characteristic. The Tata Group uses nearly two-thirds of its profits for philanthropy.

Kishore Lulla, CEO of Eros International

Bollywood is India’s colorful, engaging commercial response to Hollywood, home of American cinema. If Bollywood has a king, he is Kishore Lulla, CEO of Eros International, India’s leading distributor of cinema and entertainment. More than four billion people around the world love Bollywood films, and Eros, with 2,000 film

titles and 5,000 music videos, keeps supplying them. Lulla believes Bollywood will catch up to its famous California rival in a decade. Discussing a head-to-head Bollywood-Hollywood match-up, Lulla said, “We sold 3.9 billion tickets in 2007 in India alone. Hollywood sold 3.1 billion in comparison.”

“Indians have a tremendous sense of dealing with diversity. We deal with it on a daily basis. Everything is complicated and we learn how to make it simple.” (Baba Kalyani)

Lulla’s father, Arjan, began distributing movies in 1977 when he noticed that Indian expats had no access to Bollywood movies. Eventually, the family moved into acquiring the rights to Indian films. Today, Kishore is “sitting on a goldmine market.” Experts predict that Bollywood will grow to a \$50-\$100 billion industry in 10 years’ time. Lulla, a fervent believer in Indian cinema, says, “The real competition will be between Korea, China and Bollywood” – not Hollywood.

Tulsi R. Tanti, Chairman of Suzlon Energy

As the cost of petroleum-based products continues to skyrocket along with worries about global warming, wind energy will become an increasingly popular alternative. Tulsi R. Tanti is chairman of Suzlon Energy, Asia’s largest producer of wind turbines. He runs the firm based on the premise that global warming is changing everything in his industry. “Carbon concentration in the atmosphere was 280 parts per million [ppm] at the start of industrialization and is now 387 ppm. It could touch 600 ppm by 2030 with the industrialization of India and China,” Tanti explains.

“India is like an elephant, it starts slowly but once it gets running, no one can stop it.” (Tulsi R. Tanti)

Tanti believes that his company can secure 25% of the global wind energy market by 2015. Suzlon Energy is a strong global player: With operations in 21 countries and nearly 15,000 employees, it is experiencing remarkable growth. In 2006, Tanti purchased Hansen Transmissions International NV, “the world’s second largest wind energy and industrial gearbox manufacturer” for \$565 million. In 2008, Tanti purchased part of REpower of Germany in a \$1.8 billion deal. Placing all his chips in the neophyte wind turbine industry, Tanti is the consummate entrepreneur, an exuberant businessman who acts with passionate fervor in all his business dealings.

Shiv Nadar, Chairman of HCL Technologies

Hindustan Computers Limited (HCL) Technologies is India’s fourth largest IT company. In 2008, *BusinessWeek* reported that HCL Technologies was one of the “top 5 most influential companies to watch globally.” Working with five of his colleagues, Shiv Nadar – HCL’s founder, chairman and chief strategy officer – started the company in 1976. At that time, India had 250 computers. The firm first operated out of a single room in Delhi. In 1978 – three years before IBM’s introduction of the PC – HCL developed “India’s first indigenous microchip computer.”

“We are at a defining moment that will determine the economic balance of the world in the near future. India will inevitably possess the key to global success.”

In the late 1970s, India’s socialist government forced global technology firms such as IBM out of the country. HCL moved quickly to take up the slack. Nadar’s leadership style is notable for his vision and ability to see “the big picture.” He surprised the business world when he purchased a 90% stake in Northern Ireland’s Apollo Contact Centre, reversing the trend of offshoring such operations. HCL followed up in 2008 with the purchase of Liberata Financial Services, a UK firm. HCL then competed against Infosys for the \$621 million acquisition of Axon – and won.

Baba Kalyani, Chairman of Bharat Forge Limited (BFL)

BFL is one of the world’s biggest forging companies. Nearly every automobile manufactured in North America and Europe includes a BFL part. With the decline of the automotive marketplace, BFL diversified its forging operations, which now serve the “energy, railways, marine and aerospace sectors.” Baba Kalyani, chairman and managing director of BFL, is largely responsible for the increased respect consumers give the “Made in India” brand, since he had to convince global firms that India could produce high-quality products.

“The answer to the all-important question of whether these Indian companies are winning globally is a resounding yes.”

Kalyani, the Indian manufacturing king, exemplifies supreme self-confidence. In 1989, he gambled everything when he made a bold move to upgrade his Pune, Maharashtra, factory against the wishes of his family. At the time, the Indian market for forged products was sluggish. Kalyani won his gamble. The Pune facility is now “the world’s largest and most technologically advanced forging facility.” BFL displays its 2,000 different forged products at its high-tech headquarters.

Tough-Minded Businesspeople

India is most definitely on the rise. Indeed, the South Asian giant has become the “economic epicenter of the world.” In part, India can thank its bold and energetic entrepreneurs for its remarkable success. These Indian businesspeople do not concentrate solely on profits. They also focus on corporate responsibility issues such as “infrastructural improvement and alleviation of poverty.” Tarun Khanna, a professor at Harvard Business School, says they have no choice: “When you have large cases of deprivation in the backdrop, you have to be sensitive to that.” This adaptability and resilience explains why an increasing number of Indian firms are making their mark on the global stage.

About the Author

Global business strategist **Vikas Pota** heads Saffron Chase, a PR and government relations firm.
