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Dr. VN BRIMS

2005-2006 (Volume I)

2006-2007 (Volume II)

A COMPENDIUM

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Vidya Prasarak Mandal's

Dr. V.N. Bedekar Institute of Management Studies, Thane

Proceedings of Dr. VN BRIMS' Seminars Volumes I and II

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Vidya Prasarak Mandal's
Dr. V. N. Bedekar Institute of Management Studies

Seminar on
'Challenges for Indian Multinationals'

17th May, 2006

Keynote Speaker

Shri. N. R. Narayana Murthy

Chairman of the Board and
Chief Mentor, Infosys

AND

Other Seminars

A COMPENDIUM OF PROCEEDINGS VOL. - I

Dr. V N BRIMS Events - 2005-06

Venue:

Thorale Bajirao Peshwe Sabhagruha,
Jnanadweepa, Chendani Bunder Road,
Thane (W) 400 601

PREFACE

We are pleased to bring out this compendium containing the proceedings of different seminars held during the academic year 2005-2006 at VN BRIMS. The Compendium captures the outcomes of the following seminars :

Date	Theme
17 th May, 2006	Challenges for Indian Multinationals
14 th April, 2006	Dr. V. N. Bedekar Memorial Lecture - 'Leadership for Asia's Winning Edge in the Globalised Economy-Role of Management Education'
18 th March, 2006	Workshop on 'Challenges for Indian Multinationals'.
11 th March, 2006	Seminar on Corporate Governance
4 th March, 2006	Seminar on Union Budget 2006-2007

The above Seminars are presented as follows :

- ◆ Speech of Shri N R Narayana Murthy along with the 'Question - Answer' Sessions: Presentations made by a wide variety of speakers in the morning and in the evening sessions of the seminar.
- ◆ Proceedings of other seminars, indicated above, have also been presented. Slides which were part of the presentation by the respective speakers find a place.
- ◆ Students activity that is to say 'Primeval'

This compendium will hopefully be useful to students, teachers and other stakeholders at large. In addition to this compendium Dr. VN BRIMS has also published other volumes viz. 'Challenges for Indian Multinationals' which was a background compilation for the Workshop held on 18th March, 2006 and the Dr. V N Bedekar Research Volumes I and II in 2006 and 2007 respectively. Further the Research Centre of Dr. VN BRIMS has released a well researched monograph - 'From License Raj to Liberalisation'.

I hope this compendium will only be a forerunner of the many different events which will soon unfold themselves and VN BRIMS stakeholders will hold the fort and VN BRIMS will rule the waves.

Dr. Vijay V. Bedekar
Chairman, Vidya Prasarak Mandal,
Thane

Dr. Guruprasad Murthy
Director, Dr. V N BRIMS

Dr. VN BRIMS' SEMINARS
A Compendium of Proceedings
2005-2006

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Challenges For Indian Multinationals

17.05.06

STRUCTURE OF THE SEMINAR

TIME	EVENT
8:30 a.m.	Registration
9:00 a.m.	Paper presentations by eminent personalities and Research Scholars <ul style="list-style-type: none">◆ Dr. P. M. Kelkar, Consultant, Quality and Compliance, Asia - Pacific, Johnson & Johnson.◆ Shri. Amitpal Singh Ossan & Shri. Rajkumar Singh◆ Dr. S. Siddhan, Sr. Vice-President, Clariant Ltd.◆ Ms. Shivani Takalkar Shri. Gaurang Deshmukh
10:15 a.m.	Shri. N. R. Narayana Murthy arrives
10:15 a.m. to 10:45 a.m.	Welcoming Shri. N. R. Narayana Murthy Lighting of Lamp Chairman, Dr. V. V. Bedekar's Speech Director, Dr. V N BRIMS, Dr. Guruprasad Murthy's Speech Prof. V. S. Bhakre's Speech Memento and Bouquet to Shri. N. R. Narayana Murthy Release of Dr. V N Bedekar research volume by Shri. N. R. Narayana Murthy

10:45 a.m. to 11:10 a.m

Key note address by
Shri. N. R. Narayana Murthy

11:10 a.m to 11.45 a.m

Question & Answer session

12 noon To 1.00 p.m.

◆ Shri. P. S. Deodhar, President, Aplabs Ltd.

2:00 p.m. To 4:15 p.m.
(15 minutes for each speaker)

Panel discussions by eminent Personalities

◆ Shri. Ashwin Dani, M.D., Asian Paints Ltd.

◆ Shri. Deepak Ghaisas, CEO, i-flex solutions.

◆ Shri. Jagdish Shah, M.D., Atul Ltd.

◆ Shri. Ashish Soparkar, M.D.,
Meghmani Organics Ltd.

◆ Dr. Vishnu Kanhere,
Practising Chartered Accountant

◆ Prof. V. S. Bhakre,
Visiting Faculty & Management Consultant
at Dr. VN BRIMS

◆ Dr. Guruprasad Murthy
Director, Dr. VN BRIMS

4:15 p.m. To 4:45 p.m.

◆ Question and Answer session

4:45 p.m. To 4:55 p.m.

◆ Summarizing

4:55 p.m. To 5:00 p.m.

◆ Vote of Thanks



Vidya Prasarak Mandal's
DR. V. N. Bedekar Institute of Management Studies,
Thane

Seminar On
Challenges for Indian Multinational

Wednesday 17th May, 2006

Keynote Speaker



SHRI. N.R. NARAYANA MURTHY

Chairman and Chief Mentor, Infosys Limited

“Similarly you have to showcase a wonderful role model in creating excellent institutions like this.”

“I think role models are very important because if you want to inspire youngsters, if you want to create enthusiasm in them, then you need role-models. You have to provide greater visibility to role models. Role models not so much in terms of people in top 20 of Sensex. No, that’s not what I meant. What I meant was you should showcase an entrepreneur in a village. You showcase a small entrepreneur in Thane because people will have to realize that I don’t have to be No. 3 in stock market capitalization to be a role model. They must be able to identify easily with the role models. ***Similarly you have to showcase a wonderful role model in creating excellent institutions like this.***”

Shri. NR Narayana Murthy's Speech

Dr. Bedekar, Dr. Murthy, Shri Karandikar, Prof. Bhakre, Ashank, Kamlesh, Faculty Members, Guests and most importantly my young friends. This program was fixed in conjunction with another important function that I was supposed to address. But that function got cancelled for some reason. But I told my secretary that I want to go and meet the youngsters and interact with them. So I came. I am going back immediately after this lecture.

There are three things that we in India can be proud of. They are, First, democracy: it is a very fledgling democracy, it doesn't work well. Yet it is a democracy. It is the aspirations of people, voice of people that influences governments, that brings about social changes in the country.

The second is our Secularism. Even though there has been minor infractions, I must say that India is one of the rare countries that have stuck to Secularism. And this is extremely important because if this country has to succeed, if this country has to become important in the global environment, people of all religion, people of all caste have to work together in harmony and third and most important of these is our youth. I am on the board of several universities abroad: Stanford, Yale, Harvard, Cornell, Wharton, just to name a few. While I find a distinct difference between the older people there and India, I find that I am also an older person and I can be very frank and open. Of course there are exceptions like Dr. Guruprasad Murthy & Dr. Bedekar. But by and large we are different, we are scared of competition, we are very traditional. But on the other hand, when I compare the youth of India with the youth outside, whether it is at Stanford, whether at Cornell or wherever it is, frankly, I do not find

any difference. So, if there is a future for India, it is only because our youth will create it, it is only because of their enthusiasm, their energy. So I never ever lose an opportunity to interact with our youngsters. The fact that the youth will create future stands, the youth that stands for values was very clearly demonstrated in the last week or so when those of us the elder ones were equivocal, were dilly-dallying, were not certain, scared of expressing our view on a very important issue. The youngsters all over the country have stood up for what they believed is right. So I think it is a great example of what youth can do.

Now the topic that has been chosen today is "Challenges for Indian Multinationals". India has been growing at 6% plus in the last 15 years, since the Economic reforms undertaken by Dr. Manmohan Singh when he was the Finance Minister. This year we have grown by 8 plus percentage. The exports are about 75-80 billion dollars and that has been growing at 20%. Imports are somewhere around 100 plus billion dollars which is very positive because it means that we are actually building up our infrastructure so that we can achieve even better growth. 78% of the GDP has been contributed by the private sector which is again a very very important datapoint because at the end of the day, I believe, its the private sector that will lead the country forward and of course the stock market index has reached an all time high. Of course its now lower but that's understandable. It is still a very impressive 11,000 plus. There are 100 Indian companies with market capitalisation exceeding a billion dollars which again is a very clear indication of the fact that our economy is growing. Companies have more and more of global mindset and they want to bring in innovation

so that their companies become more and more valuable. We are learning the art of producing quality products at affordable prices. This is extremely important, if you want to succeed in global market. The challenge is there, How do you make sure that you produce World class quality products on time, within budgeted cost, at affordable prices. I think that is the challenge all of us have to face successfully if we want to succeed. On the communication sector, I would say that we have today somewhere around 100 million telephone lines as against something like 1 million or so 15-20 years ago and this growth has come in the last 5 years. However we are still 1% of the global trade. In fact less than 1%. Our exports are only a small amount of \$80 per person as against China's \$800. Each person in China exports \$800. Whereas we export only \$80. Our exports form just about 11% of our GDP. On the other hand, if you look at other countries like China, Brazil, Mexico etc. they are somewhere around 30%. Now why are exports important? The reason is very simple. If you want to solve the problem of poverty, you have to create jobs and if you want to create jobs, then you need to be able to sell your products and services. If you want to sell your products and services, you need disposable income in the hands of the people. Unfortunately, in India today at this point of time barring perhaps 15% of population, which is about 150 million, the rest of them do not have enough disposable income today to buy your products and services. So the solution to creating jobs is to necessarily focus on export. That's exactly what China has done, that is what East European Tigers did. That is what Japan did. That is what Mexico is doing. All without exception. Countries which went from low level of development to higher level of development have all focussed on exports and that's why creating Indian Multinationals becomes extremely important. That's the reason why all of us have to focus

on creating more and more and more Indian Multinationals. Now China had been creating something like 13 million jobs a year for last 12 years. China has created a whopping 156 million jobs in the last 12 years. India has done something like 10 million jobs. So, if we have to solve the problem of poverty, if we have to bring better disposable income to our people, if we have to create opportunities for our youngsters in rural areas, opportunities for the disadvantaged men and women, the only solution is to create more jobs. So I must congratulate this school on focussing on the challenges of creating Indian MNCs.

Now what is it that we need to do to create more and more and more Indian MNCs? First we have to become more confident. We have to overcome our colonial hangups because whether you like it or not the majority of opportunities or markets are in the G7 countries and perhaps China, because China is growing at a fast growth rate. You all know how our Indian steel companies, Indian cement companies have gained tremendous market capitalisation because of the opportunities provided by China. Let us all be very very clear that the reason why our cement and steel companies are doing well in the stock market because there is a considerable demand for steel and cement in China that is creating a shortage in global market and the Indian companies are able to export more and are not able to import to meet any shortfalls in the country. Thereby the prices are going up and that's how the Indian companies are doing well. Okay, so we have to become more and more confident to face people from other cultures, to face people who were our rulers, to face the G7 countries, to negotiate with them, to sell to them, to create a story in front of them. That is the thing.

Second is, we have to become more confident to take tough decisions. If you want

to succeed in the global marketplace, if you want to be a MNC, you have to take very tough decisions and tough decisions can be taken only if you become more and more confident? Now what do we do to become more confident. First we need to become more and more open. Openness is a sign of self confidence. Openness to accept good ideas from other people, openness to subordinate your egos to people and accept ideas from others, to look at the leadership of ideas rather than leadership of men and women or leadership of hierarchy, openness to accept ideas from people who are younger than us, openness to take decisions based on data. These are all extremely important.

Next we have to become proactive. By and large Indians are very reactive. Because of certain historical background, we have tended to become more reactive. We don't do things on a proactive basis. If you want to succeed in the global marketplace, you have to become proactive problem definers. You have to show proaction in solving problems, That's very, very important. In fact most of our customers who deal with Infosys and I am sure all of the other Indian software companies, tell us "You are all very good. You work hard but somehow you will do what we ask to do. You won't come up and say, don't you think this is a better way of doing things. I think you have a problem in your corporation, I think I have a solution and this is the way to solve that" So I think we need to do that.

Next we have to accept meritocracy. Let us be very, very clear. If you want to compete in the global marketplace, if you want to be a MNC, if you want to succeed in exporting more and more, if you want to compete the best in the G7 countries, you have to accept meritocracy. There is no short-cut to that.

We also have to become a learning

organisation which means we have to keep our eyes and ears open. We have to get the best ideas from anywhere from the World on each dimension of our operations, use those ideas, perhaps adapt them, improve upon them because unless you are a learning organisation, you will not be able to succeed.

You have to embrace speed because at the end of the day, one of the most distinctive advantages of a successful corporation is speed. You must ask question are we doing things faster today as compared to yesterday, last month, last quarter, last year etc. very, very important?

Next is innovation or imagination. You must ask the question are we bringing better ideas to the marketplace today compared to yesterday, last month, last quarter? Once you start asking, once you start giving opportunities to youngsters to come out with better ideas then, that corporation will succeed very well. For example we conduct several times a year an exercise called "Ideation". There the rule of the game is, that day anybody above thirty is not allowed to speak. He or she can write down ideas, they can then implement them. Of course later on, they can question all of that. But the day belongs to people below thirty. And that's the day, people come and say this is something I don't like in the organisation and this is the way we can improve. It's all constructive. Its not about finding fault in the organisation. Its about bringing out better and better ideas.

Next of course is excellence in execution. Your ideas are absolutely useless unless you can implement them very well. Unless you can bring about a better level of excellence in execution of those ideas because at the end of the day what distinguishes a successful corporation from a not so successful corporation is how well you execute those ideas.

Brand building is extremely important. If you want to succeed as a multinational corporation, you must build brand. What is brand. Brand at the end of the day is nothing but a trust mark. It is people saying “we trust you”. And if you want successful relations , if you want enhance your revenues, if you want continued relationship then you have to build a trust with the consumer, you have to build brand. In fact for example when somebody talks about Lo’real, everybody in the World knows it’s a French company. Similarly if you talk about Sony, The brand of Sony is extraordinarily high. You talk about Unilever, you talk about Hewlett Packard, Microsoft. These are all wonderful brands that have been built. If an Indian MNC wants to succeed, Then they have to create brands. If you want to create brand, you have to move from cost to value. In other words, we cannot afford to say “We will reduce cost” we will have to say “we will bring you better value”. All corporations which have built brand in the World have focussed on value to the customer. As all of you have studied economics, you understand price is what you pay, value is what you get. So, It is extremely important that you move from cost paradigm to value paradigm.

Then of course we have to create better corporate governance. I define corporate governance as “doing all that is necessary to maximise shareholder’s value on a sustainable basis while ensuring fairness to all stakeholders – customers, employees, investors, vendor partners, government of the land and the society” You raise the transparency, you have to bring a better level of accountability

And then the other important thing is, perhaps the most important thing, we have to learn to work in multicultural teams. You have to learn to work with an Englishman, you have to learn to work with an American Woman, you have to learn to work with Spanish people, You have to learn to work with Chinese people and so on. That’s a multi-national that has operations in multiple countries and you have to learn to leverage the power of all these multicultural talent.

And of course we need Risk Modelling. Unfortunately most Indian companies are poor in creating analytical models for Risk Assessment. You cannot depend too much on one customer. You cannot depend too much on one technology, You cannot depend too much on one geographical region etc. So risk modelling is extremely important.

Next of course the managers in a multinational corporation have to become much more technology savvy. Unfortunately in India and several parts of the World, the technology awareness of our managers is not upto the mark. We have to enhance that.

I mean I can go on and on and on. Because all of you have set a good standard by completing your tasks ahead of time, I think I would want to do that. I have a record of completing 5 minutes ahead of my schedule generally and I want to close my talk because we still have five minutes. I would rather answer your questions because that’s where I think I will have tremendous learning. I have only one rule though: Alternate questions will have to be from women and men. Firstly from a girl and then from a boy.

Questions and Answers

Session with

Shri. N. R. Narayana Murthy

Trupti Rane: I am Trupti Rane and I am an MMS student. Can today in 2006, Indian government take a step of opening up all reservation and making India again so powerful so that we can come up and compete in the world as a better force or in a better way?

NRNM: First of all we must all accept that this society has been unfair to a large section for 4000-5000 years. All of us must accept it first. There is no question at all that that has to be addressed. But the way to address is not to say that "We will bring in reservation at the institutes of higher learning". First we have to provide World class primary and secondary education so that the disadvantaged children can become better. They can become competition worthy. In fact my suggestion is this that we have to provide breakfast, lunch and dinner for all these children so that they have good nutrition. Of course there should be no corruption. People should not eat money in this and you know that is unfortunately the experience in India. Once you give good nutrition to these children, once you put good teachers in our primary and secondary schools, once you give focus on these children a little bit more, have extra classes if necessary and make sure that their text books are given free. Do that and you will make them as good as anybody else. Unfortunately, we have failed in doing this. Let us remember one thing. India is still at 65% literacy. Second thing, 50% of the schools in Rural India have one teacher for every two class/sections. Which means that we have not been able to address the basic issue of primary and secondary education. Only

when we provide World class primary and secondary education to all the children then only this country will become a better place because everybody will become competition worthy and the country will move, everybody will improve. Instead of solving that, which is a very very difficult problem, you can go and say tomorrow "I will have this much of reservation". That's not a difficult thing to do. You can pass anything in the parliament. But the difficult thing is to ensure that every village, there's something like 6,50,000 villages in India, you provide best possible education. I would fully support it. I am 100% for it. I accept that there has been absolute injustice to the children of disadvantaged section.

Gaurav Chaubal: I have a simple question. What according to you is the biggest challenge for Indian Multinationals?

NRNM: Well questions are always simple, answers are difficult. Remember as I said the biggest challenge is creating brand equity. Tomorrow if you can create a product which when used by people all over the World they say it is from this company in India. I think that is the biggest challenge. If you can create brand equity, you get sustained revenues, you get good profits, you attract best quality customers, you attract best quality employees from all over the World, you attract best quality investors from all over the World. So the biggest challenge is creating a brand.

Sangeeta Sale: Being a women, I want to know what role I play in tomorrow's India? What role I play in this global picture as a woman?

NRNM: If India has to enhance its exports to 30%-35%, if India has to create 15 Million jobs a year for next 10-20 years, Then only we get 4-5% unemployment level. Then we cannot afford to keep the educated women idle. So your role will not be any less that of any man. In fact your role would be much more critical, much more important than that of any man simply because you have additional responsibility. First giving birth to wonderful children. Second looking after them in the initial year or two. Third, more importantly, I firmly believe that its the mother that gives values to the children more than father. So I do think that your challenge is much more that any of your male colleagues because you succeed in the office, you have to succeed at home that's what I would say.

Question: Whether the slow judiciary, poverty, illiteracy in India are the challenges faced by Indian Multinationals?

NRNM: No, no, no Remember I said we are in a catch-22 situation. If you say I will first solve the problem of poverty in India, I want to look out where is the opportunity to create employment in the company. If you cant create employment then you cant create disposable income, If you cannot create disposable income then nobody is there to buy your products and services. So upfront in the case of all developing countries have to focus more and more on exports in the beginning. Later on it will change, Later on it will pick up. The domestic economy will pick up and then the domestic market will be strong. In order to do that our judiciary must become quicker in decision making. We have to solve the problem of illiteracy. That is the primary task of the Government. Unfortunately, we have failed miserably there. I don't know how many of you have read Prof. Myran Weiner's book " The state and the child in India". Prof. Myron Weiner used to be the professor of political science at MIT, US. He has produced a definitive volume on how the

Indian policies, Indian politicians,, the corporate leaders, the bureaucrats and the elite, essentially the elites, created nexus where they neglected primary, they neglected the problem of child labour etc. So I think we have to address that, to address that we need visionary leaders in our country amongst our politicians, corporate leaders, our bureaucrats. Those solutions, I agree with you, has to be addressed within India but creating jobs in the beginning will have to be focussed on exports.

Arti Kapta: Please guide us on ethics and value system a person should possess to be successful in one's personal and professional life.

NRNM: There is a concept called the Golden Rule of Behavior. I am sure you know as well as I do and that is to ask a question "How would I like to be treated in any transaction. If I were in the position of other party, How would I like to be handled". That's all. So ethics is nothing but adhering to the protocol of accepted behaviour in the community which enhances the confidence, trust, energy and enthusiasm of every other member of the community in me. That conduct myself in a manner that the rest of you feel more and more confident about me. Prof. Deodhar would conduct himself in a manner that you will have more and more confidence in him. That's all there is to it. Nothing more. There is no complex algorithm here. Just ask a question "by my behaviour am I enhancing the trust, the confidence, the enthusiasm and the energy of the rest of the community members in me" That's all. There is nothing else.

Question: I am in a construction business, We are in the infrastructure development: airports. The whole judiciary process and political forces are stalling our projects. What is the kind of message one should derive? We are part of MNC. But we

could not succeed in India. There are drawbacks which is really spoiling.

NRNM: There are several reasons for it. First of all we have to improve the efficiency of the decision making in the government. We have to improve our bureaucracy. Second we have to enhance the quality of political leadership. Third we have to enhance the number of judges because we have 1/10th the number of judges per 100,00 population as compared to US. Fourth and most importantly our political leaders must realise that they are straddling towards the urban and rural India, rich-poor, educated-not so educated, and all of that. Only when they think they are leaders of all these things, that there should not be a zero-sum game of rich v/s poor, educated v/s uneducated, urban v/s rural, only when they think that and then ask a question “are we doing something to make India better country”. Then it will be simple. You know a civilised society is one where every generation works hard, works smart and makes all the sacrifices required to make the life of next generation better. Just ask that question. Are we doing that?. I don’t think so.

Satish Padhye: (Interrupted)

NRN: you are violating the rule. Discipline is extremely important. We Indians are not disciplined.

Shreyata Nayak: I have a simple question.

NRNM: Somehow girls seem to think they ask only simple questions.

Shreyata Nayak: In the globalised scenario from past we are looking that IIT students as well as those from more reputed college are moving abroad. According to you what steps should be taken to stop them so that they should implement innovative ideas in India.

NRNM: First of all we should do nothing to stop anybody. That’s not correct. Your challenge and my challenge is “What is it that we need to do so that they are attracted to stay back in the country”, not stop them. Stopping them is very simple: don’t give them the passport. That’s not going to help. So I would look at the problem as “How can I make this country attractive for those youngsters to stay back in the country.” The second is let’s remember that we are a nation of a billion people. If a certain percentage of competent Indians were to go abroad, it is actually good for India because the brand equity of India, the respect for India has been built by these high class professionals abroad because our engineers, our doctors, our Silicon Valley entrepreneurs from India, they’ve all succeeded. Today respect for India is lot more that what our diplomats, our politicians, our corporate leaders, our bureaucrats did for the last fifty years. The last 15 years these people, people of Indian Origin who have worked hard, who have demonstrated they are good citizens to those societies, They contributed tremendously to creating brand equity. So don’t stop them. Work hard to make sure this place is attractive.

Amitpal: Why should we go the hard way. There is so much easy money going around. The countries at the top are as corrupt . But still why do you want us to go the hard way? You ask us that you have to go for values and on the other hand we see that the countries and corrupt people go up and are going ahead?

NRNM: no, no, no. A stable society is one where a significant majority of the the people follow the rules of the game, follow values. Just imagine, for example, I don’t know, have you been in outside India? Have you been to Singapore, UK or Germany? There everybody is driving according to the rules of the game. The result is you reach your destination faster, the journey is

comfortable. See here on the road. Nobody is following the rules of the game with the results what? There are delays for every body, life is sick, everybody is cursing everybody else. Everybody is unhappy. That's the reason why we should follow the rules of the game, we should follow values. Let me assure you that India is one of the most corrupt countries, Other countries are not like India. Please let us be very, very very careful. So in most developed countries corruption is much much limited than India. In India it has percolated down to the lowest level. In those countries if it is there, it is there at the highest level. It does not affect the common man. Here it has affected the common man. So do you want the life of common man to suffer? That's why you should have value.

Amruta Mathure: Sir your sentence "Our assets walk out of the organisation everyday. We have to make sure that they have to come back the next morning". Can you just elaborate on the HR challenges faced by Infosys.?

NRNM: The biggest challenge that companies like Infosys has is enhancing the quality of our human resources because at the end of the day, the only instrument that we have to succeed in the marketplace is by bringing about change , by bringing about innovation. That happens because we have the capacity for innovation in human life. Good companies are distinguished by the availability of good talents. If you want your company to grow, people have to make tremendous sacrifices, work hard. People here put the interest of the company ahead of their personal interest and doing that requires that our youngsters, all the people who spend the best part of their lives, best part of their day in your company and to do that you have to create enough excitement for them, enough incentives for them to come back to the office early in the morning at 8'o clock and spend the best part of their day

adding value to you. That is the biggest challenge. In fact that's why our CFO, one of the finest, I mean probably the best CFO of the country who won the first "Best CFO" award in India shifted to Human Resources Development because that's extremely important.

Satish Padhye: We succeeded in IT industry, So can this IT industry knowledge help in pharma or auto industry?

NRNM: What is it that IT industry did?. We did a few things, One, we said we will focus on external market because there was hardly any market in India..

In fact I was the president of NASSCOM from 1992-1994. At that time there was not a single representative of multinational on our executive council. Ashank knows that. It was very easy for us to go to the government and say "no, no, no, We don't want all these reforms. Don't allow multinationals to come". But we said "If we have to succeed outside India, then we have to succeed here first." We accepted competition. So I think, there are many many things like this and this is as applicable to pharmaceutical industry etc. The first principle is simply this: leverage the strengths of India. If the market simply doesn't exist, then go outside because that will eventually help India too because you create jobs, they will have disposable income and they will buy your products and services. That's the fundamental principle.

Aruna Kolungade: Before going global, should we not remove discrimination, disparities between the states of India? Should we not think first to develop Bihar and Orissa at least to the level of Maharashtra and Gujarat?

NRNM: I firmly believe that a nation is as good as it's leaders. A company is as good as it's leaders. A state is as good as it's leaders. If a state produces good leaders then that

state would make good progress. The issue is not for outsiders to impose leadership of Bihar. I think the people of Bihar have to realise that if they want progress, they need good leaders. They have to elect them because we have accepted democracy. That's the only instrument we have. So if Bihar wants to become much more oriented towards industry, if Bihar creates infrastructure, if Bihar has English medium schools for children to go from Tamil Nadu, Karnataka, Gujarat, Maharashtra, so that the children can study there, If Bihar creates decent airports, so the people can go and come back quickly, if Bihar creates good roads, and all of that, then I am sure people will go there. Why not?. Let's remember France is the same size of Bihar. Now while Bihar probably has something like 70 billion dollars of GDP, France is something like 200 times or 250 times (1.75 trillion dollars). The point I am making is simply this that the youth in Bihar have to stand up and say, "enough is enough. We want this society to progress, we want good leaders". So we can't impose it from outside. It has to come from within.

Rajkumar Singh: Now India is pygmy by Global standards, how much time do you think that it will take for India to come up to the standards of China, Japan and then US?

NRNM: China has already become more than twice India's GDP (1.6-1.7 trillion dollars). India is still at 70-75 billion dollars. So I think China is progressing much faster than India. But we can do better. Definitely we can do better. We can compete with them if we reduce bureaucracy. Whenever I talk to people outside India, They say "Oh, your country is very difficult to business because you have very bad bureaucracy". I think unless we improve our bureaucracy, unless we take fast decision, unless we improve infrastructure, you know, while coming from Santa Cruz, one hour journey, Whenever I looked both sides, I saw dirt, I saw very bad

houses. I gave a memorial lecture couple of months ago and I spoke on how to handle urban planning in India. For example, if you take pragmatic, sensible decisions on urban planning in Bombay, you can create wonderful living place for all the people living in slums. It's a pure economic decision making. Unfortunately we don't look at long term interests, we do everything on short term basis. That's why this country's progress is slow. But if we can bring about change in that, I am positive that we can move faster. But I don't know if we can catch up with China or not, That we have to look at the data, we have to look at the issues carefully and then we can say.

VVB: We will have two more questions

Snehal Adsul: When we talk about Multinational companies, one thing that comes to mind is long hours. With this long working hours how can we do justice to our personal life. In simple words do we have a perfect balance between our professional life and personal life?

NRNM:My view is a few generations in India will have to work very hard, work smart, have to make lot of sacrifices so that our children, grandchildren, great grandchildren can have better quality of life. So we should not worry about our work-life balance. We should worry about how we can create a better India. Germany, for example, after World War II made it mandatory for people to work 12 hours a day and they all worked. So I don't think as a youngster you should worry about how hard you work.

Vishnu Kanhere: I have a specific question to you. We look up to you as mentor of all of India even younger generation. My question is: What can be done to institutionalise this kind of entrepreneurship, drive, dynamism because Indian MNCs have come up and it is because of the leadership and dynamism of individuals. If you look at

the rest of us, the rest of us would rather do jobs than become entrepreneurs. Business schools like the one in which we are standing here where I teach also are not able to transmit that dynamism to students. The students aspire to do jobs rather than go into crucibles of innovation as you rightly said. How does that diffidence of earlier generation get removed and we have number of leaders who will pitchfork India into the next century? How could it be institutionalised? How could it be professionalised? In respect of companies as well as in general?

NRNM: I think first one is role models are very important because if you want to inspire youngsters, if you want to create enthusiasm in them, then you need role-models. You have to provide greater visibility to role models. Role models not so much in terms of people in top 20 of Sensex. No, that's not what I meant. What I meant was you should showcase an

entrepreneur in a village. You showcase a small entrepreneur in Thane because people will have to realise that I don't have to be No.3 in stock market capitalisation to be a role model. They must be able to identify easily with the role models. Similarly you have to showcase a wonderful role model in creating excellent institutions like this. You have to create role models among people who have fought for principles, you have got Medha Patkar. I think by making some films on them and showing them to youngsters, by writing books about them etc. Leaders in every community and leaders in every organisation have to walk the talk. Just as Mahatma Gandhi walked the talk, I would say probably the only Indian who walked the talk. He brought so much confidence to so many Indians. So I think all of us have to conduct ourselves in a manner that we raise the confidence of the youngster. So I would say that the visibility, showcasing and walking the talk.

