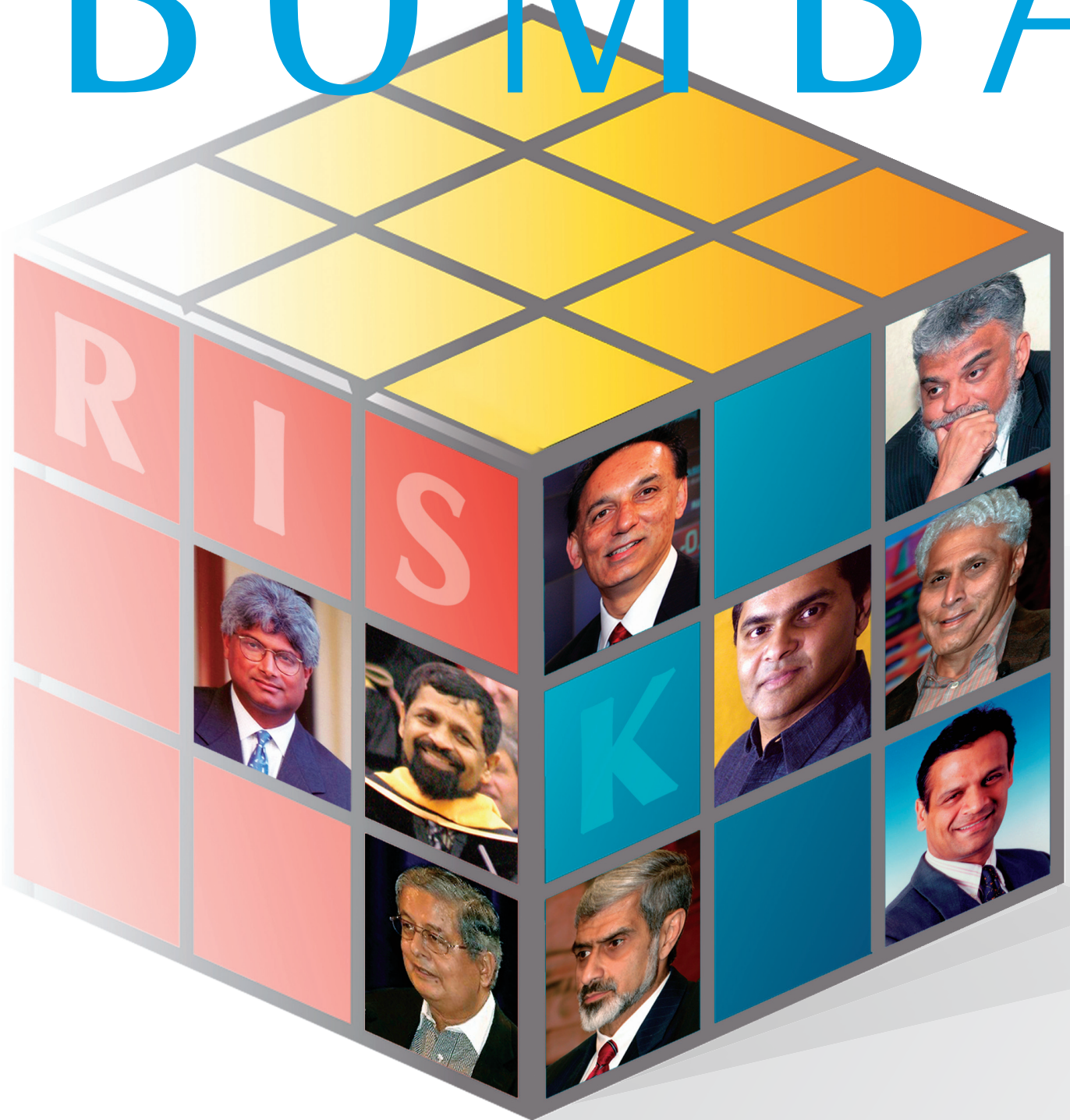


CoverStory

The BOMBAY



Y BOYS

These highly accomplished entrepreneurs and innovators trace back their roots to the Indian Institute of Technology in Mumbai, India. Here, they share their stories of risk taking and more that have earned them a place in an elite group.

BY LAVINA MELWANI

Risk. A scary word, especially in these scary economic times. Yet there is an elite band of super-successful global entrepreneurs and change makers who have always thrived on this four-letter word, battling uncertain times and uncharted waters to set up world class companies, challenge old worlds and create new ones.

Meet Bharat Desai, Chairman and CEO of Syntel, a global provider of information technology headquartered in Troy, Michigan, which today employs 12,000 people and has a market capitalization in excess of \$1 billion. *Forbes* listed Desai among the 400 richest Americans.

Then there's Ramesh Vangal, an intrepid serial entrepreneur from New York who seems to start companies as nonchalantly as if they were game pieces on a Monopoly board. He is the man who first took PepsiCo to India, and is now the founder of Katra Group, a 500-million-dollar global company headquartered in Bangalore, India.

Kasim Mookhtiar had earlier pioneered diabetes and obesity programs at Bristol-Myers Squibb in the United States. He then jumped continents and is now Chief Scientific Officer and business head, Drug Discovery, at Advinus Therapeutics, a Tata Enterprise in India. Mookhtiar is exulting in "a chance to be part of the birthing of a new industry in India that has the potential to be even bigger than IT."

These are just some of the thousands who form the U.S. alumni of IIT Bombay, which recently celebrated its 50th golden jubilee anniversary in New York. The roster of these Bombay boys reads like a Who's Who of the business world, and includes Nandan M. Nilekani, Co-Chairman of Infosys Technologies, Jairam Ramesh, India's Minister of State for Commerce and Power, as well as Victor Menezes, the recently retired Vice Chairman of Citigroup Inc. (See "The Power Players" on page 62) for some of the most notable amongst this group)

They all started years ago by overcoming that first initial hurdle—getting admission into this prestigious university. The Indian Institutes of Technology were the creation of Pandit Jawaharlal Nehru in newly independent India and have been a catalyst for gathering some of the best minds in the country. There

CoverStory

are IITs in Kharagpur, Chennai, Kanpur, Delhi, Guwahati, Roorkee and Bombay, which is one of most desired by the applicants. Hundreds of thousands of students apply every year but only the top one percent gets into this magic circle.

Ramesh Vangal, who led PepsiCo's entry into India in turbulent times and has been a serial global entrepreneur since, emphasizes: "You had to work extremely hard and then you had to be basically smart — there's no question about

Once they graduated, the Bombay Boys went into diverse fields. Many have joined major corporations while still others have turned entrepreneurs, creating scores of companies, generating jobs and impacting many industries in both countries. As *BusinessWeek* noted, as far back as 1998, in a cover story extolling the IITs, "Wall Street firms rely on [IIT] grads to devise the complex algorithms behind their derivatives strategies while big multinationals call on them to solve



Top: Victor Menezes



Right: Pradeep Anand (L) with Rajnesh Domalpalli

it. And it was immaterial where you came from, what you looked like, what you did. Only one thing counted — the quality of the brain. That's why you had a very eclectic collection of people from diverse monetary, ethnic and social backgrounds—it was amazing."

"Campus life at IIT Bombay was so varied and so full that we could discover our own unique strengths and develop our own distinctive personal and professional selves, which then boosted and propelled us to success in life," says **Pradeep Anand**, founder of Seeta Resources, a global energy consultancy firm. "That power of self that IIT Bombay creates in each of its graduates is inimitable."

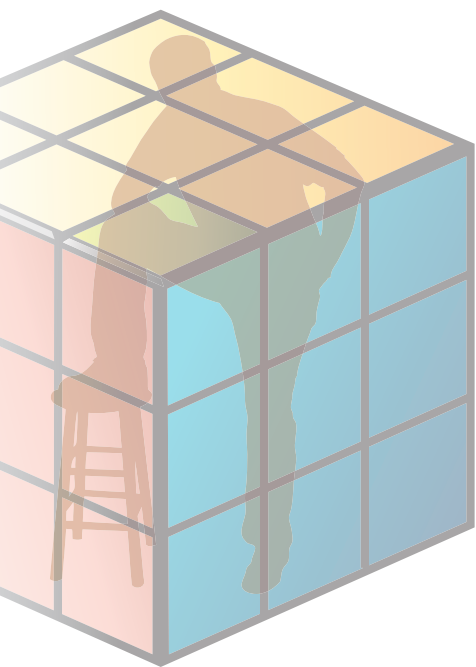
Anand, who is chairman emeritus of IIT Alumni of Greater Houston (IITAGH), estimates that globally there are about 150,000 IIT alumni, about 50,000 of whom are in North America, and about 10,000 of these are from IIT Bombay.

problems in new ways. When recruiting from colleges for its annual crop of consultants, McKinsey hires a significant number of the school's graduates every year. Many more write the software and design the chips and peripherals that Silicon Valley sells to the world."

The institution seems to give its graduates something much more than the core curriculum—the ability to take risks, to go out on a limb and try something totally new. Here, some of the prominent Bombay boys share their journey and the lessons they learnt along the way with us. They came from different parts of the country but each brought qualities of leadership and persistence, which were further nurtured at IIT.

EARLY TRAINING

Today **Bharat Desai** heads Syntel, a company with \$1.5 billion market capitalization, but he recalls the humble origins of his family, with his father working in an



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The Syntel leadership at Nasdaq: celebrating their 10th Anniversary on the bourse.

assembly line at a factory in Ahmedabad at the age of 12. The family migrated to Mombasa, Kenya, but when political trouble brewed, they had to return to India on the SS Aressa, sent by the Indian Government to bring back its nationals. Bharat Desai remembers the family opening up their bedding and sleeping in the hold of this crowded cargo ship.

Since his father was still in Mombasa, winding up things, Bharat became the male head of the family at 11, and one of his tasks was to bike to a regional market to buy the daily groceries. He recalls, "I was given two rupees by my mom and my personal challenge was 'How do I

do it for one rupee?' and proudly gave her a rupee back every day. If you think about it, it was phenomenally strong training."

At 13, he got not only himself but also his younger brother into St. Xavier's School by sheer persistence, even though no seats were available. He simply turned up at the school again and again, until the good fathers, noting his great scores and his doggedness, relented. Taking things into his own hands was a childhood trait, and so IIT was a natural fit.

For Ramesh Vangal, who was born in Chennai in a middle class family and lived in Ghana when his father was a government worker there, the exposure to different cultures began early, as did his love affair with entrepreneurship. While at IIT, he coveted a motorbike and to fund that purchase, he became a driver, ferrying new jeeps from Bombay to Bangalore.

"I was 19 years old and I used to get 15 paise per kilometer—one rupee for every seven kilometers," he recalls. "That was my seed capital and it was the beginning of one of the first acquisitions I made—a ten-year old Jawa (A predecessor of the Yezdi). I bought it for 1,500 rupees—it was fun and the highlight of a lot of my life."

While at IIT, he also learned first

PEOPLE POWER

Bharat Desai, Chairman and CEO, Syntel, speaks about his experience at IIT Bombay

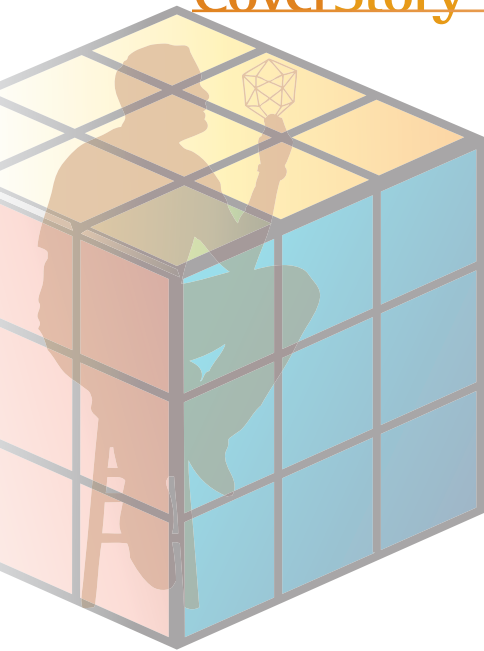
I grew the most at IIT by understanding how different people thought and solved problems. Ninety percent of our learning and development actually took place outside the classroom. The greatest thing they did was they put all those great young minds together for five years: they lived together, played together, solved problems together — that was the beauty of it.

Every one coming to IIT thought 'Jeez, I'm God's gift to mankind!' Suddenly they saw that every single person coming there was the best in his school! That was something that brought you down to earth very quickly. So, most of the people [from



IIT], you'll find, are very well grounded because of that.

You learn to appreciate there are different kinds of talents. For me the biggest learning was how to learn through others. To this day, I am absolutely fascinated that I can actually learn something from anybody in the world — I enjoy that very much.



hand about the adverse consequences of venturing into a business, when he and another student sold T-shirts on campus—and the color ran. Recalls Vangal with a laugh, “This was our first attempt at crisis management—the customers were baying for our blood!”

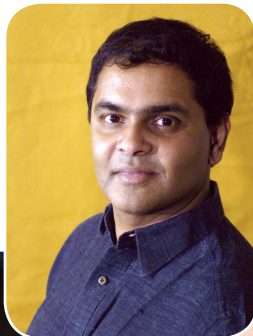
Vangal, who went from IIT to the London School of Business, got his first job in the entrepreneurial wing of Procter & Gamble in Geneva as a marketing assistant and learnt a lot about working in the real world. He recalls an Arab distributor in the Middle East scornfully asking his boss what could an Indian worker do for him—they were the ABC of life: ayah, bearer and cook! Working in marketing, he realized you didn’t have the protection of an engineering degree or other “cerebral” professions; marketing was very nebulous, a mix of many skills, and getting along well with people within a business framework was crucial. Establishing oneself as an entrepreneur was a tough sell and he learnt it on the job.

While working with PepsiCo in New York, he got the opportunity to take the company to India in 1990. Those were very different times; India’s was still a closed economy, allowing a total direct investment of just \$30 million. Vangal and

his colleagues had to be inventive in forging a deal with the Indian Government. In fact, it was a landmark project on many counts—the Pepsi beverage became just one part of the equation, with agricultural processing and food exports becoming crucial to the Pepsi success story. This generated thousands of articles in the media, and Harvard Business School even did a case study on it.

The other challenge was getting Pepsi-Cola accepted as an Indian drink, and Vangal and his team were one of the first to use the hybridized concept of Hinglish in bubbly, creative campaigns that introduced the Pepsi definition of fun into India. Says Vangal, “I think Pepsi took some risks and we were largely leading the charge, but today brand Pepsi outsells brand Coke about two to one in India.”

From being managing director of PepsiCo in India, Vangal moved to heading PepsiCo’s food business in Asia. He later joined Seagram in an unusual deal where he was junior partner with equity in the India business, and also became chairman of Seagram for Asia. It gave him the opportunity to be entrepreneurial within a larger framework, and the company actually tripled its profits before it was sold off.



RAJNESH DOMALPALLI

Reinventing himself as a filmmaker

How does an IIT-B graduate end up making the surprise hit indie movie of the year? *Vanaja*, which was Rajnesh Domalpalli’s thesis film at film

school at Columbia University, went on to win the Best Debut at the 2007 Berlin International Film Festival and was selected in over 114 Film Festivals in 49 countries, bagging 24 international awards!

Domalpalli, who is from Hyderabad, spent his growing years in small rural towns where his father worked as a civil engineer for the Andhra Pradesh government. After completing his B.Tech in Electrical

Engineering from IIT Bombay in 1984 and an M.S. from the State University of New York, Stony Brook, he worked as a computer engineer in California’s Silicon Valley before graduating with a Master of Fine Arts in 2006 from Columbia University.

Film and engineering seem a world apart, but according to Domalpalli, his education at IIT gave him skills such as problem solving and evaluating choices. “I chose risk. In giving me a logical way of thinking, IIT engendered a confidence that enabled me to take risks, and filmmaking—especially art house filmmaking—involves enormous risk.”

He also used his computer skills from IIT in his new profession of filmmaking, which is going increasingly digital. He says, “So what better use of my old IIT skills than to make films about matters that I care about?”



With his capital from this sale, Vangal went full steam ahead as serial entrepreneur and started a series of businesses under the Katra Group umbrella, which today embraces everything from IT and agribusiness to real estate and financial services to the wellness and hospitality industries.

ONE BRICK AT A TIME

For Bharat Desai, entrepreneurship happened almost a decade earlier. After working with Tata Consultancy Services for three years, he came to the United States for his MBA at Michigan. He and his wife Neerja Sethi, who had specialized in computer science, saw a dawning trend—information technology services—and wanted to capitalize on it. Their company, Syntel, had to go through birth pangs and growing pains because IT professional services were a pretty new concept at that time. The further transformation from a local to a global company was extremely tough.

“We had no money, we had no contacts, and we had no employees working for us at that time,” says Desai. “So we had to worry about many things — making enough money to pay the bills, growing the company, and finding customers, finding employees. At that time it was very difficult, if not impossible to get any kind of capital for a venture like that.”

Having a completely bootstrapped operation, the couple used their personal savings to get started. “It was difficult to land customers, it was difficult to establish because we had no track record,” recalls Desai of the company, which finally grew to employ 12,000 people and partner over a hundred of the best global brands.

“You have to build on that one brick at a time. It was fun doing it,” says Desai. “To me, the realization came very early that the future of our industry was glo-



After a successful stint in the United States, Kasim Mookhtiar has been instrumental in birthing a new industry in India, that of innovative pharmaceuticals.

balization and once I got that realization, I firmly believed in it and made the changes. The transformation from a local to a global company was extremely difficult. I walked the talk because I realized that was our only chance; that is what we needed to do and that

is where all the exciting business opportunities were.”

While Desai and Vangal have moved far from their engineering roots, **Kasim Mookhtiar** of Pennsylvania is one who has taken his chemical engineering education to its conclusion. Born in Bombay, he attended Barnes School in Deolali. He recalls, “My passion for chemistry was born in that lab when Mr. Emmanuel, our new chemistry teacher, demonstrated some really neat chemistry experiments to us eighth standard kids. I thought it was the coolest thing, so I got my dad to get me a chemistry set during the holidays. My passion for chemistry and science has remained unabated since that day in 1969!”

Mookhtiar, who studied at St. Xavier's College, went on to the master's program in chemistry at IIT and then obtained his Ph.D. at Florida State University. After a postdoctoral stint at the Yale University School of Medicine, he joined the Metabolic Diseases Drug Discovery Department at Bristol-Myers Squibb, relishing the work, which was innovative and intensive, and focused on vigorous science.

Having created a comfortable life for himself and his family in the United States, Mookhtiar suddenly had the opportunity to go to India to join a colleague, Dr. Rashmi Bharbhaiya, who was leaving Bristol-Myers Squibb to head up the R&D division of India's largest pharmaceutical company, Ranbaxy, initiating an innovative medicines effort. “There was a huge opportunity for India to be a ma-

global player in the pharmaceutical industry because of the major successes of the Indian industry in the generic drug space," says Mookhtiar.

Why did he think it was so important to take the plunge into the unknown and go into uncharted territory? "Essentially, there was an opportunity to make a difference, however small, to the growth of India on the global stage," says Mookhtiar, who went on to head a team of 100 scientists at Ranbaxy Laboratories. "It was not just a better paying job, but a chance to be part of something big."

When Bharbhैया later left Ranbaxy, Mookhtiar and a colleague, Sanjiv Kaul, joined him in forming a new company for innovative pharmaceuticals. Since the idea came to them as they sat in a Bangalore coffee house, eating South Indian food, they tentatively called it Project Idli but later chose the name, ADVINUS, derived from ADVantage INdia USA. While they were in talks with various venture capital and private equity people, Tata came forward to fund Advinus Therapeutics.

Starting a new venture was not easy, for R & D is a very high risk, high reward activity, as well as being time-consuming and expensive. "The norm in this is failure—remember most potential drugs (greater than 95 percent) that go into human testing never make it to the market," cautions Mookhtiar. "On the average it takes about 10 years for an idea to reach the market. This coupled with the failure rate makes it difficult to find the risk takers on the financial support."

He adds, "The challenge we had was controlling our burn rate (the cost of doing drug discovery) and coming up with a balanced, realistic business plan that had a better chance to succeed than other people's plans. Then we had to build a team of scientists with the passion and talent to do the research. Finally, we had to build the infrastructure and put all the processes in place that would allow our bright scientists to carry out their work. I am glad to say that we made it!" Indeed, the company has a major risk and reward sharing collaboration that could be worth up to \$149 million with the U.S. company Merck Research Labs, and an extensive global client list.

He points out that India is fast becoming a global player in the innovative pharma world even though earlier all the major medicines were developed in the West and Japan. "Since disease burden and health care concerns are global in nature, new medicines coming from India will find their place in the global market," he says. "However, for the high rewards, the medicines must be innovative — better and safer—than ever before."

THE NEW MANTRA

Indeed, globalization is the new mantra, and is being embraced by entrepreneurs. As Vangal points out there is a range of opportunities in India and the idea is to bring strategic partners in various businesses, giving concessions in different sectors, allowing those with the expertise to participate. He says, "You have something akin to a California Gold Rush—there are incredible opportunities and it's like pioneering days of the Wild West."

In the Katra Group, he says, they are participating with strategic partners in creating bridges that connect the Indian arbitrage with the outside world: "We are not the only bridge—there are thousands of bridges but we want to be one of them."

Which brings us to the question of risk: there's an element of this in every innovative move—and yet some people freeze rather than take a risk. Says Bharat Desai: "To get to any great outcome you almost always have to bridge from the known to the unknown—there are always unknown factors and not every risk works out; you have to be smart in your assessment of the opportunity and believe strongly that you can actualize that opportunity but also be realistic enough to know when something is not working out."

He believes there's virtue even in failure. "You learn much more through failure than through successes. You have to be a failure as a stepping-stone to success, because it's the way you can learn and course-correct. In every successful field of endeavor you have that."

THE VALUE OF IRREVERENCE

So what is the real value of an IIT Bombay education? "IIT teaches you irreverence—teaches you to think differently—that's

CoverStory

the key,” says Vangal. “If you think differently you can be different; and if you can think it, you can do it.”

Ramesh Vangal today has homes in Miami, New York and India — and maintains state-of-the-art motorbikes in all these locations. Yet, as he admits, for him, the most exciting motorbike is still the rundown one he bought with his hard-earned money back in IIT Bombay, in those golden days of finding one’s place in the world.

Since he grew into entrepreneurship on the job, Vangal says it continues to be a learning experience, sometimes a painful one. “You realize it’s a roller-coaster ride—initially you’re scared, but it’s a lot of fun.”

His advice to aspiring entrepreneurs? “Take life as it comes—live and do your best. After that, forget about it — life and the business of life take care of themselves. Life is not about winning and losing. Life is really about excitement and having some fun.”



Ramesh Vangal financed his first bike by working as a driver, ferrying new jeeps from Bombay to Bangalore.



THE POWER PLAYERS

The circle of change makers who all graduated from IIT Bombay includes Dr. Arun N. Netravali, managing director of OmniCapital, who is a former President of Bell Labs and Chief Scientist for Lucent Technologies; Parag Saxena, CEO and founding partner of Vedanta Capital; Rakesh Mathur, co-founder of Webaroo, and one of the founders of Jungle, which was acquired by Amazon.com; and Hemant Kanakia, partner at Columbia Capital.

Amar Bhide, Lawrence B. Glaubinger Professor of Business, Columbia University, has an MBA and DBA from Harvard University and is one of the influential voices in the area of entrepreneurship. His articles in *Harvard Business Review* address the vital issues of strategy and governance, and his upcoming book is

titled *The Venturesome Economy: How Innovation Sustains Prosperity in a More Connected World*.

Other distinguished alumni include Dr. Bharat Balasubramanian of Daimler AG; Ramani Ayer, CEO, Hartford Financial Services; Yogen Dalal, Managing Director of Mayfield Fund; Subrah Iyer, CEO of WebEx, which recently merged with Cisco systems; Dr. Ajit Ranade, Group Chief Economist and President of Aditya Birla Group, a \$30-billion conglomerate. Then there’s Arjun Divecha who founded the emerging markets practice at GMO, a Boston based global investment and management firm. Divecha and his team built it to a \$25-billion fund.

Romesh Wadhvani heads Symphony Technology Group, a major information technology company in Palo Alto, California. One of Wadhvani’s earlier companies, Aspect Development, a leader in the B2B e-commerce arena, was sold to i2 Technologies in the largest merger in software history to date. Wadhvani donated \$5 million to IIT Bombay at the golden jubilee celebrations in New York, and other alumni also wrote checks totaling \$2 million to their alma mater.



Amar Bhide (L) with Arjun Divecha.

BEHERUZ SETHNA

An innovative and pioneering educator

Beheruz N. Sethna is the Bombay IITian who almost wasn't! He's one of those rare people who got admitted into IIT-Bombay but actually turned it down — until his father intervened. Sethna, Professor of Business, is the President of the University of West Georgia, which has approximately 11,000 students and a \$100 million plus budget. He is the first known India-born person ever to become President of a U.S. University.

Sethna grew up in Bombay in a family of modest means. His father, who had been in the Air Force earlier, worked all his life in a cotton export company, where he rarely made more than 500 rupees a month. "My parents did not have much money but they managed to make it go a long way — my mother told me at an early age that they were going to put every penny they had into my education. I even wore hand-me-downs when I first went to school," recalls Sethna.

"My father had big dreams for me and had clipped information about IIT entrance exams and showed that to me often, even four years before I was eligible for it. It took some confidence and stretch on his part and he infected me with it."

Sethna, who today himself has thousands of students under his care, believes he owes everything he is to his parents and their push for him to excel. After graduating from IIT Bombay in electrical engineering, he did his Ph.D. at Columbia University. Interestingly, his Ph.D. was in marketing and he used an electrical engineering model to understand human behavior, and so his IIT training proved useful.

More than that, he feels IIT taught him much more than engineering. "It gave me work habits that are absolutely unbeatable. I learned how to work really hard — night after night, often with just two hours' sleep. I learned in the '60s what has today become fashionably known as the power nap — I developed this strategy for myself and I can do that even today — sleep for five to ten minutes at a time and then literally work for hours longer."

While there is innovation and risk taking in entrepreneurship, does he believe that these qualities apply to academia too? "Risk taking is absolutely critical, otherwise you'd never move, you'd never change," says Sethna, who is now starting his fifteenth year as president. In that period the student population has risen to 11,000 and the university has become known nationally. He started an advanced academy for admitting talented high school students into university two years earlier, at the age of 16. There are only ten such initiatives in the whole of the United States.



"It has helped grow the reputation of the institution tremendously, but this was a risky move because our budget is well over \$100 million and there are lots of decisions to be made, both in good times as to where to invest, and in tough times where to cut," he says.

Professionally, Sethna has often had to take stands that have not gone down well in the conservative section of rural Georgia, on controversial issues. He says, "I take very strong stands on issues about freedom of speech and academic freedom — and these are extremely risky moves."

Being president, the buck does stop with him, and some decisions are very unpopular ones — such as when he changed the name of the team mascot from the Braves to the Wolves, because the former was offensive to Native Americans. Almost everyone in his college community was against the name change but Sethna got them involved and engineered the change. He is probably the only university president who changed the name of a team mascot — and got away with it!

As university president, he's also had to do what presidents of major corporations have to do — spearhead almost a quarter of a billion dollars' worth of investment. He says, "You make an investment for the good of the organization, which has significant monetary and reputational risk associated with it, and you do that on the grounds of your belief in the growth path of your institution."

Sethna has also started doctoral programs for the first time, and initiated some powerful fundraising where endowments to the university have increased by 800 percent. "There is risk — and risk of failure; when you fail, you dust it off and keep going," he says. "Don't fire off in 50 different directions but be focused. If you don't even try, then there's a zero probability of success."