

14 MARCH 2008

What we can learn from India



by Rowan Gibson: A global business strategist, a bestselling author and an expert on radical innovation.

Take a break from all the negative news about the economy. I'm just back from a speaking trip to India, where one continues to be struck by the unbounded optimism in business circles. Sure, growth might be temporarily slowing, which may put the damper on investments for a short while (ask the board of Reliance Power, whose IPO tanked on the Mumbai stock exchange, wiping 25% off the stock value in the first week!). But Indians have learned to take the long view. Whether the value of the Dollar, or the price of oil, or even the whole US economy goes up or down, they know the future is still gravitating irreversibly toward Asia.

India is one of the only countries I know where you come down to the hotel restaurant in the morning and most of the people in the room seem to be having laptops and PDAs for breakfast. I mean, there's literally no room on the table for the food! It's like "Breakfast is for bevakooofs!" (Hindi for "idiots"). The talk at these tables is all about growth percentages and expansion plans. And don't expect much of a change at lunch or even dinner. This is a nation that has come to live and breathe business.

Mira Kamdar, in her book *Planet India*, points to a simple premise that appears to be at the heart of India's remarkable success: "Treat every problem as an opportunity". It was this attitude, after all, that led India in the late 1990s to step up and offer to help the U.S. with its looming Y2K computer crisis. Where else were American companies going to find enough low-cost, English-speaking software engineers to do all the drudge work of Y2K readjustment? And when the year 2000 came and went, without airplanes dropping out of the sky and nuclear power stations turning into mushroom clouds, those same American companies started wondering what else they could outsource to India on the cheap: e-commerce, IT support operations, call centres, services, even mission critical applications. Thus the Indian IT industry – and as a consequence the whole Indian economy – went into overdrive. No wonder Thomas Friedman, author of *The World is Flat*, argues that "Y2K should be a national holiday in India, a second Indian Independence Day".

I see this same "problem as opportunity" attitude when I talk to Indian companies of every stripe. When I asked one CEO recently about the impact of the weak Dollar on his business, his reply was stunningly upbeat. "Oh," he said with a grin, "that really works in our favour. It's going to make it much easier for us to expand in the U.S. market. Now we can buy up American companies at bargain basement prices".

Of course, India doesn't have to go out looking for problems to solve. It has enough of those on its own doorstep. With 40% of the world's poor, one-third of the world's malnourished children, 800 million people in need of education and proper employment, the world's single largest population of people infected with HIV/AIDS (not to mention other widespread diseases), 17% of the world's population but only 4 per cent of the world's freshwater, a looming energy crisis, relentless terrorism, and a dreadfully damaged environment, India faces some of the most daunting challenges on the planet today.

That's where there's a need for innovation at an unprecedented scale. Not just innovation in the traditional business sense, but "social innovation" that addresses the needs of India's society, schools, healthcare systems, cities, and environment. Thirty years ago, the late great Peter Drucker pointed out that this, too, is an important definition of innovation. In his seminal book *Management* he writes that modern social needs "are not too different in kind from those which the nineteenth-century entrepreneur converted into growth industries – the urban newspaper and the streetcar; the steel-frame skyscraper and the school textbook; the telephone and pharmaceuticals". India, perhaps more than any other country on earth, has recognised the need to turn its social problems into opportunities for innovation, and is rising to the challenge in a grand way.

Look anywhere in India today and we see exciting examples of social innovation combined with profitable business innovation. And behind each of these examples we usually find some wonderfully heroic entrepreneur who has battled with heart and soul to

give ordinary people a better life. I think of Dr. Reddy, founder of Apollo Hospitals Group, who is using state-of-the-art technologies, breakthrough business models, and revenues from medical outsourcing and medical tourism, to put world-class healthcare within almost everyone's reach. I think of economist Muhammed Junnus, founder of Grameen Bank, who pioneered the concept of micro-credit, and in the process became the world's first "banker to the poor". I think of Ratan Tata, India's answer to Henry Ford, whose tiny \$2,500 Nano automobile (the same price as a Louis Vuitton handbag!) is set to do for mass mobility in this century what Ford's Model-T did in the last. I think of amazingly unpretentious Narayana Murthy, now retired cofounder of Infosys, who has repeatedly demonstrated his belief in "compassionate capitalism" – an altogether different paradigm that focuses not just on wealth creation but on making a significant contribution to society.

Three cheers for India's irrepressible optimism and can-do spirit in the face of almost impossible odds. What many in the country have clearly figured out is that every great challenge presents enormous opportunities, and that success at innovation is about much more than revenues and profits; it's about doing well by doing good. There's a lesson in this for all of us.



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