

Newspaper Clips

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Hindustan Times ND 14/01/2011 p-11

Not just firms, alumni too can bite into IIM pie

ht SPECIAL

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NEW DELHI: In a controversial proposal by a government panel, individuals can also bid to buy membership of an Indian Institute of Management's managing society alongside corporate entities under.

The panel headed by Maruti

Suzuki chairman RC Bhargava was appointed by HRD minister Kapil Sibal. Its report, accessed by HT, has also recommended that IIMs be allowed to offer discounts to select bidders.

The panel, which also has directors of IIMs in Bangalore, Calcutta and Kozhikode as its members, has argued "the most effective way" of ensuring "owners" with a long-term commitment "is by making the payment of a substantial donation to the

IIM as a condition for becoming a member of the Society".

As reported by HT on Wednesday, the panel's recommendation that corporates be allowed to become members of the managing societies of the IIMs in exchange for ₹20 crore has triggered protest from faculty at the B-schools. Teachers are also protesting a move to make it mandatory for every teacher to teach 160 hours a year.

The HRD ministry annually

(The Society could... make a reduction in amounts fixed for individuals and alumni.)

Bhargava panel report

awards grants of about ₹5 crore to each of the IIMs other than those in Ahmedabad, Bangalore and Calcutta and a grant of ₹20 crore would place a private investor in effective control of

the IIM, critics said.

HRD ministry sources confirmed they have received a resolution from the IIM Bangalore faculty council opposing the proposals. But sources also said opposition to the reforms may grow stiffer. The faculty councils of IIMs — Ahmedabad and Calcutta are meeting this week.

Alumni can buy membership of an IIM's managing society for ₹3 crore while other individuals will have to pay ₹5 crore, the

Bhargava panel has suggested. "The Society could, for reasons to be recorded in writing, make a reduction in amounts fixed for individuals and alumni," it says.

The panel has recommended the government provide a grant matching the money collected, and that the total be kept as corpus. Interest from the corpus can be used to hire select faculty, or to top up government salaries of faculty and the director, the report says.

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It's no joke, clowns help IVF hit the bulls-eye

New York: Is laughter the best medicine? Perhaps not always — but it may help women who are trying to become pregnant through in vitro fertilization (IVF), an Israeli study found.

In a study of 219 women undergoing IVF published in *Fertility and Sterility*, an Israeli team led by Shevach Friedler found that the odds of success were greater among women who were entertained by a professional "medical clown" just after the embryos were transferred to their wombs.

Overall, 36% became pregnant, as compared to 20% of women who'd had a comedy-free recovery after the transfer procedure. Friedler



The odds of IVF success are greater among women entertained by a professional 'medical clown' just after the embryo transfer.

ler said he got the idea for the study after reading about the potential physiological impact of laughter as a "natural anti-stress mechanism."

"Patients suffering

from infertility undergoing IVF are incredibly stressed," said Friedler, based at Assaf Harofeh Medical Center in Zrifin, Israel, in an email. REUTERS

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China's wage hike could act as India's advantage

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It may be the case for one or two years but what matters is whether India can sustain high growth," added DK Joshi, chief economist at rating agency Crisil.

"It has to be seen how they are saying that the (China's) growth rate will decline from 10% plus levels to 8.4%. For us, 8.7% is probably closer to our trend growth," said Pronab Sen, senior advisor in the Planning Commission.

China and India have seen rapid growth and have helped push up the global growth rate in the year's post the financial meltdown. But India has always lagged its Asian rival, often referred to as the factory to the world, as China has flooded the international market with prod-

ucts ranging from lingerie to LCD television.

In recent years, foreign investors have bet big on India too, setting up manufacturing facilities across the country but it has always been the second-most preferred destination after the Dragon. The increase in wages in China could, however, tilt the competitiveness scales in India's favour.

Overall, the report said that in 2011 and 2012, the global economy is shifting into a phase of slower but solid growth, with India and China contributing towards almost half of the global growth.

The World Bank estimated that global gross domestic product, which expanded by 3.9% in 2010, will slow down to 3.3% in 2011 before reac-

hing 3.6% in 2012. In terms of policy prescriptions, the report said that in case of the South Asia, where India is driving growth, the recent monetary tightening would be required to be pursued further given the region's high fiscal deficits, high inflation and rising current account deficit.

The World Bank report also warned that countries such as India, China and Brazil would have to grapple with high levels of capital inflows given the interest shown by foreign institutional investors.

"Heavy inflows to certain big middle-income economies may carry risks and threaten medium-term recovery, if currency value rises suddenly or if asset bubbles emerge," it said. **TNN**

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3-yr degree in rural med gets govt go-ahead

Kounteya Sinha | TNN

New Delhi: A medical degree in three-and-a-half years could soon become a reality. The Bachelor of Rural Medicine and Surgery (BRMS), which had earlier faced stiff opposition, finally got the go-ahead on Thursday.

The Union health ministry, which convened a meeting of state health ministers in Hyderabad, said "the introduction of BRMS courses was endorsed in the meeting unanimously".

This means India's rural areas, which have so far been neglected by doctors, will soon have a dedicated medical cadre, drawn from students raised in rural areas.

Under the scheme, the BRMS degree would be acquired in two phases and at two different levels — Community Health Facility (one-and-a-half years) and sub-divisional hospitals (secondary level hospitals) for a further duration of two years.

The degree is expected to be offered by institutes in rural areas with an annual sanctioned strength of 50 students.

"Selection of students would be based on merit in the 10+2 examination with physics, chemistry and biology as subjects," the ministry said.

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Drug-resistant malaria strain is new threat from the East

Kounteya Sinha | TNN

New Delhi: India is keeping a very close watch on a strain of malaria that has become resistant to Artemisinin—the best drug available to fight the disease.

This major threat emerged in the villages on the Thailand-Cambodia border in 2007. Now, scientists and the WHO fear that it could spread across the world in no time putting millions of children at risk.

Speaking to TOI, National Vector Borne Disease Control Programme chief Dr A Dhariwal said the National Institute of Malaria Research is monitoring Artemisinin resistance in 15 sites, mainly in the north-eastern states and Jharkhand, Chhattisgarh, Madhya Pradesh and Orissa.



“Chances of resistance is high in monotherapy. That’s why we banned it. We’re now using Artemisinin Combination Therapy (ACT). The threat of a resistant strain is very high,” Dr Dhariwal said.

Union health minister Ghulam Nabi Azad told TOI, “Diseases have no borders and they spread at an alarming rate. See the case of swine flu. It came to India from the US in no time.”

According to WHO di-

rector-general Margaret Chan, “ACTs are the gold standard. They are the most effective treatment for falciparum malaria, the most deadly form of malaria. The consequences of widespread resistance to Artemisinin would be catastrophic. Resistance to previous generations of anti-malarial drugs such as chloroquine spread from the same Mekong region to India and then Africa, killing millions.”

India records 1.5 million cases of malaria every year, 50% of which are caused by the falciparum malaria. An estimated 18,000 die of the disease in the country. ACT kills malaria parasite in a human bloodstream within 24 to 36 hours. But with the drug-resistant strain, ACT needs up to 120 hours to kill the parasite.

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China, not US, is technological enemy of WikiLeaks: Assange

London: China is the “technological enemy” of WikiLeaks and not the United States, according to Julian Assange, the founder of the whistle-blower website which is fighting a running battle to penetrate the aggressive and sophisticated Chinese censorship.

“China is the worst offender,” when it comes to censorship, says the controversial Australian hacker, now

on bail in Britain fighting attempts to extradite him to Sweden over claims of sexual assaults. The “technological enemy” of WikiLeaks is not the US but China, 39-year-

CENSORSHIP BATTLE

old Assange was quoted as saying in an interview to New Statesman magazine.

“China has aggressive and sophisticated interception

technology that places itself between every reader inside China and every information source outside China. We’ve been fighting a running battle to make sure we can get information through, and there are now all sorts of ways Chinese readers can get on to our site,” he said.

China’s netizens have no access to WikiLeaks website after authorities blocked the site. ¶¶

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LOCALLY VOCAL



Riveting dance performance

Nrityashree organised its 33rd annual day celebration at the Seminar Hall of IIT. In continuation of the legacy of cultural celebration, this year witnessed mesmerising performance of Bharatanatyam dance by students of



Nrityashree. Purnima Soni, the joint secretary of Nrityashree, also took part in the dance and left the audience spellbound by her performance.

The evening began with secretary of Nrityashree, KC Iyer's speech. Kumar Pragya Arya, producer of "Dus Tohah" graced the occasion as chief guest. He was accompanied by creative producer Indervir and painter, Rahul Arya. Guru MC Nair, founder of Nrityashree, presented a vote of thanks to Kumar Pragya, Indervir, and Rahul Arya as a token of appreciation. Kumar Pragya presented diplomas, certificates and gold medals to students of Nrityashree at the end of the function.

Sasha Madan

If you've got an interesting event, gossip or info about trends and happenings in your area, mail us at writetodelhitimes@indiatimes.com. We'll get back to you.

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Camera that sees 'invisible' can bust crime

Washington: Chemists from the University of South Carolina are reportedly developing a camera that has the ability to see the invisible—be it bloodstains or any other substances.

Called multimode imaging in the thermal infrared, they claim the new technology could help in crime scene investigations. Michael Myrick, Stephen Morgan and their student colleagues said that the luminol test has certain disadvantages. Luminol, for instance, is potentially toxic, has been reported to dilute blood solutions below DNA detection limits and can provide false positive results.

In their reports, the scientists described the construction and successful testing of a camera that takes images in several different ways. It captures hundreds of images in a few seconds, while illuminating its subjects with pulses of invisible infrared light waves. Some of these photos

It captures images by illuminating its subjects with invisible infrared light waves and detects blood diluted to as little as one part blood in 100 parts water

are taken through special filters, which block out particular wavelengths, allowing certain chemical components to stand out from their surroundings. The camera detects blood diluted to as little as one part blood in 100 parts water.

In tests, the camera was able to make invisible stains and patterns emerge from a background of four different types of fabric, also distinguishing between blood, bleach, rust, soda pop, and coffee. The camera also detected an invisible watermark that the team printed on a piece of fabric. ANI

Moral high ground exists: Height tied to helpfulness

Study Finds Elevation Makes People More Caring

London: The metaphors such as the "moral high ground" do really exist, say scientists as they found that people become more generous, compassionate and helpful when they are physically higher than others.

The link between height and morality may sound unlikely, but researchers at the University of North Carolina at Chapel Hill found that the association affects how people behave when they become physically or mentally elevated. In the first of a series of bizarre experiments, the researchers led by Lawrence Sanna found that commuters gave more money to a charity collector at the top of an escalator than one at the bottom.

In another, volunteers were found to be more generous with their time if standing on a higher spot than others. And in a third, people were less likely to inflict punishment on another person if they had just ascended steps — and were



IN A POSITION TO GIVE

crueler if they had gone down stairs, the Daily Mail reported.

People talk about putting other people on pedestals, looking up to those they admire or taking the moral high ground. They also talk

about sinking to new depths, scraping the barrel and looking down on people. Sanna believes that the use of metaphors linking height with good behaviour affects how people behave in real life. Speaking about the escalator experiment, Sanna told *New Scientist* magazine, "Experiencing elevated physical height increased the virtuous act of making real charitable contributions."

In another experiment, about 60 volunteers were asked to allocate an amount of hot chili sauce to be eaten by a fictitious stranger whom they were told disliked hot food. Those who had been taken up to a stage dished out less than half the amount than those who had been taken down to an orchestra pit.

The findings don't just have implications for charities, said researchers. It is thought bosses might boost helpfulness of their staff by holding meetings on the top floor of an office and people should invite friends upstairs before asking for a favour. ■

Times Of India ND
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World's fastest 'molecular movie' recorded

Scientists at Helmholtz-Zentrum Berlin für Materialien und Energie (HZB) and the Technische Universität Berlin (TUB) have successfully come one step closer to recording a 'molecular movie.' Molecular level processes are not just minuscule, they are often extremely fast, and therefore difficult to capture in action. But the team can record two pictures at such a short time interval that it will soon be possible to observe molecules and nanostructures in real time. The achievement would help us better understand fundamental processes in the natural sciences.

Ring in the ears? Retune brain:

Are you suffering from tinnitus? Fret not. Retune the brain, for a new study says that it could cure the condition which causes incessant ringing in the ears. Tinnitus is caused when the brain overreacts to hearing damage and produces constant "phantom" sounds. And, currently there's no cure. But, scientists believe that the condition could be eliminated by tricking the brain into switching off the imaginary ringing.

Statesman ND 14/01/2011

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Corporate education ~ content over context

Many companies are looking at various ways to cross-fertilise management education within the overall strategic focus of the business, the inter-functional approach being a critical element of successful executive education, writes giri dua

THE corporate world spends considerable time and money on "training" its workforce every year. But how much is really spent in "educating" the workforce towards building strategic entrepreneurial capabilities — skills that are necessary for developing and executing profitable business strategies? Our experience suggests not really enough.

In fact most training is focussed on single-discipline operational skills, like selling, marketing and financial analysis, with tenuous links to the overall strategy. This restricted approach is limiting, given the defining role strategic capability building can play in companies for long-term value growth.

Philippe Haspeslagh co-authored a research at Insead and found that almost two-thirds of successful "value-based" companies developed strategic capabilities in more than 75 per cent of their managers, as compared to only 25 per cent of unsuccessful "value-based" companies.

Two key challenges that companies face when building strategic capabilities would be, one how to mesh together the strategic priorities of a business with management education programmes, and second, how to deliver programmes that are focussed enough to bring about change in behaviour and attitudes.

Aligning educational programmes with the strategic priorities of business

Most capability development programmes focus on generic operational know-how, that often lack relevance and do very little to resolve the highest-value issues facing the business, such as which markets to participate and how best to effectively design product offerings.

Strategic capabilities education, on the other hand, can have an exponentially positive effect on business ability to develop strategies that will create and sustain competitive advantage. Most top-performing companies — those looking at driving up the shareholder value in the top quartile — view capability building as a shared responsibility of the executive team and human resources.

Keys to a better fit

Organisations chartering a corporate education agenda need to consider four keys to a better fit between management function and strategic capabilities.

■ **Implement learning agendas:** Several successful companies have instilled a more disciplined approach to executive education by using a "learning agenda" — a list of concepts and capabilities that will have the greatest potential to improve performance of the team. For instance,

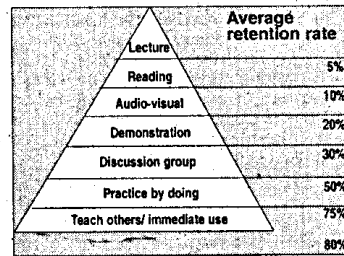


Philippe Haspeslagh co-authored a research at Insead showing that almost two-thirds of successful "value-based" companies developed strategic capabilities in more than 75 per cent of managers, compared to only 25 per cent of professionals in unsuccessful "value-based" companies.

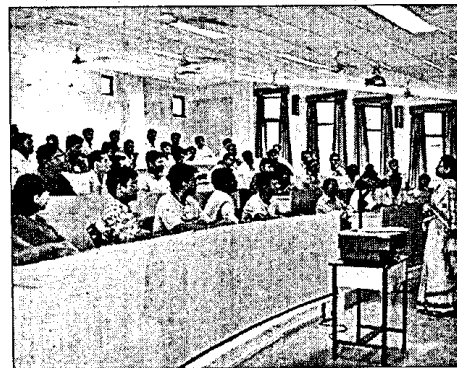
concepts such as "acquisitions create value only when the intrinsic value of the deal exceeds the price paid" or "value growth is driven by the economics of the chosen market and the profitable differences in that market". The capabilities would include a thorough understanding of market economics, profitable differences and value creation for and from the customer. Such capabilities build up could make executives take a hard look at product lines, discontinue non-value adding processes and look at activities that create and sustain value.

■ **Realign functional reporting relationships:** In order to closely align and foster a closer relationship between the top management and human resources many companies are realigning functional reporting relationships. Intel, for example, has changed the reporting line of the corporate training function from HR to corporate strategy. Apart from enhancing the profile of training, such moves help force a shift of emphasis in the types of training programmes that HR produces.

■ **Cross-fertilise management education:** Many companies are looking at various ways to cross-fertilise management education within the overall strategic focus of the business. The inter-functional approach is a critical ingredient for a



Meister's learning pyramid



Executive education has to have a "learning agenda" — a list of concepts and capabilities with the greatest potential to improve the performance of a team.

successful corporate education programme. A compartmentalised approach at functional disciplines and looking at training needs would take away the strategic emphasis a good executive education needs. Partnering with institutions to deliver concepts and build capabilities should be the direction corporate education should take.

■ **Design the programme on real business issues:** The fourth important ingredient in a successful corporate education programme is to "ground" the content of the training in the reality of the day. That is to create an experience that should mirror realities as closely as possible by centering the content on real business issues and delivering it to actual business teams. Cadbury Schweppes "Building Strategic Capabilities" programme to underpin a major strategic change effort in 1998 had three innovative efforts. First, it was designed around "live" strategic issues rather than hypothetical case study, which made the content alive. Second, the full range of the strategic decision-making process was targeted — from goal-setting to performance-monitoring. This helps establish the strategic "language" — the standards, processes and ways of thinking — needed to develop and execute strategies. Third, this provided hands-on experience culminating in a dialogue with the top management.

Delivering programmes that change attitudes and behaviours

The second challenge companies encounter is in the delivery of the programmes that are

powerful enough to change behaviour. Too many training programmes are largely one-off interventions that rely heavily on traditional lecture-based teachings. Studies such as those by corporate education consultant Jeanne Meister, have shown that the amount of content managers retain in this format is below 10 per cent.

The key is to ensure that the programme design reflects how people actually learn rather than what is more convenient for the trainer to deliver. Research does suggest that experiential learning is 15 times more effective at achieving retention than traditional lecture-based methods. "Act your way to a new way of thinking, rather

than think your way to a new way of acting". An increasingly popular method of experiential learning is the customised simulation, which provides a realistic and risk-free environment in which managers can experiment their mistakes. Simulations are particularly well suited to the complexities of developing new business strategies.

A global pharmaceutical giant developed a strategy simulation for its managers, a model that compressed a three-year business cycle into three days, illuminating each step of the process. Teams were challenged to maximise the intrinsic value of their simulated companies over three decision rounds

while also delivering near term performance.

An important consideration when trying to increase the impact of management education on behaviour is to manage the programme delivery. The first element is to target the right segment of the management population. The second dimension of high impact delivery is creating a sequenced curriculum that ties the desired teaching points. The "building block approach" where learning progression can be charted. The last element of successful delivery is following up on the training with frequent communications. The value of the training should be measured by its impact on the business once the executives return to their day jobs. Organisations need to establish permanent commitments between the trainer and the trainee by providing helplines, newsletters and intranet sites to ensure momentum is maintained.

Looking ahead

Corporate education is serious business for the provider and the receiver. Training efforts must be directed to enhance company value. The litmus test for an effective education programme would be measurable performance deliverables that would help the trainee develop, implement and refresh business strategy.

The writer is chairman and managing director, Training and Advanced Studies In Management and Communications Ltd (Tasmac)

Economic Times ND 14/01/2011 p-3

Plan panel not interested in insurance for teachers—



NOT IN MY HAND: HRD Minister Kapil Sibal

Urmi A Goswami
NEW DELHI

HUMAN resource development ministry's ambitious scheme of providing health and life insurance to school teachers has hit a hurdle—the Planning Commission. The planners at Yojna Bhawan have given the scheme a thumbs down suggesting that such a scheme "may not be necessary". The Commission has argued that teachers are "knowledgeable enough" to ensure insurance cover on their own.

While the Planning Commission sought to hide behind the fact that school teachers new the value of insurance, it appears that the substantial financial outlay is the real reason for the panel's unenthusiastic response. The HRD ministry will wait for the crucial response from the finance ministry before taking the next step.

Last year, the HRD ministry formulated the scheme in an effort to incentivise young people to take up teaching at the school level as a career option. The proposal was discussed at the state education ministers' meeting in June. State education ministers present at the meeting had expressed their support for the scheme.



COVER UP

The two insurance schemes mooted by the HRD ministry would require financial contribution by the Centre, states and the teachers

The life insurance would guarantee school teachers a minimum of about ₹5 lakh on retirement and ₹2 lakh on death during service

Shortage of teachers poses a huge challenge as the government sets out to implement the Right to Education and roll out the Rashtriya Madhyamik Shiksha Abhiyan to universalise secondary education. A back of the envelope calculation puts the shortage at 1.2 million teachers at the elementary level and nearly 200,000 for Class 9 and 10. The teacher crisis was further accentuated by the large number of underqualified teachers in the system. Under the RTE, these teachers would require to undertake adequate training within three years. The ministry is of the view that while a hike in salary would attract new

entrants, better facilities like pension, insurance and housing for teachers are also required. It was felt that life and health insurance cover for 60 lakh primary and secondary school teachers would help attract better and more talent to the field.

The two insurance schemes require financial contribution by the Centre, states and the teachers. Given the huge scope, the health and life insurance schemes would premium-wise cost much less than individual schemes or even schemes run at the state level. The economics of scale would drive individual premiums down. The life insurance cover would guarantee a minimum of about

₹5 lakh on retirement and ₹2 lakh on death during service. The health cover, limited to hospitalisation of the teacher, the spouse, two children and parents, was being worked on two options—a cover of ₹3 lakh with a higher premium or a cover of ₹1.25 lakh with a lesser premium.

Economic Times ND
14/01/2011 p-10

IIM faculty upset with panel report

Sreeradha D Basu

KOLKATA

FACULTY members across IIMs are upset about some proposals, put forth in a report relating to the governance of the institutes, tabled by a government panel. The professors allege that the report encourages the 'sale' of seats on the IIM managing society, by allowing individuals, alumni or even corporates to 'buy' their place by paying a designated sum, even in installments. They also object to the point that makes it mandatory for professors to put in 160 hours of teaching a year (they average 90 hours). The latter point, they say, is at odds with the HRD ministry's earlier claim that it does not play a role in deciding the number of teaching hours and faculty productivity.

The panel, which drew up this governance committee report, was headed by Maruti Suzuki chairman and IIM-Ranchi chairman RC Bhargava and includes the directors of IIM Bangalore, Calcutta and Kozhikode. Though it was tabled in October, many IIM faculty members claim they only got to know about the objectionable proposals recently. Hence the delayed protest. While professors from IIM Bangalore held a meeting on these issues earlier this week, the IIM-Calcutta faculty council is likely to meet on Friday. "If we are to discard the culture of academic self-governance which made us what we are today, should we not debate the point at least before giving it a burial?" asks a senior IIM-C professor, who declined to give his name.

Each IIM is registered as a society, with members who are nominated by the government and may change from time to time. At some IIMs, individuals can also join the society by paying a prescribed sum. The governance committee report suggests that the societies be reconstituted by inviting people from the corporate world, alumni and suitable individuals to become members by paying a fixed amount. This could range from Rs 20 crore for corporates to Rs 3 crore for alumnus, with individuals paying Rs 5 crore. The report says the donations can be paid in instalments over five years. This, feel faculty members, can throw the society open to virtually anyone who can afford it.

The panel has said these donations could give companies preference in deciding placement dates, discounts during executive training programmes and name buildings and facilities after donors. In short, it could lead to excessive interference by corporates in IIM policies, fear faculty. "How can you sell IIM society memberships?" asks a professor. "The report is not even saying the seats should be auctioned. All it says is that the seats can now go to 'suitable' people or corporates."

Although the report was tabled some time ago, senior faculty members at IIM Calcutta say they got to know about its contents only recently. IIM Kozhikode director Debasish Chatterjee, one of the committee members, however, says faculty at his institute were aware of the details of the report. "We submitted the report to the HRD ministry in October, and had a meeting with the minister soon after. The ministry sent us a list of recommendations about a fortnight ago. The growing autonomy of the IIMs also comes with accountability on the part of the directors and faculty. These issues will be raised at our faculty council meeting on Friday. But every stakeholder will have a say," says Chatterjee.

Financial Chronicle ND 14/01/2011 p-10

Good job a priority for CAT topper

PRIYANKA DASGUPTA BRAHMA

Kolkata

HE is one of the top eight boys who scored a 100 percentile at the CAT-2010-11, the results of which were out on Wednesday. He hails from Kolkata but his current address is Indian Institute of Technology (IIT), Mumbai. and Gaurav Malpani has already set his focus on a good job after passing out as a bright management grad from one of the leading IIMs.

The fourth year B Tech computer science student from IIT Mumbai has already got calls from most of the IIMs. "I want to apply at IIM Ahmedabad, Bangalore

"IT'S too early for me to comment on plans to work"

Gaurav Malpani
CAT topper, 2010-11

and Kolkata. I haven't decided anything," Malpani told *Financial Chronicle*.

The other Kolkata boy to have joined the group of eight (eight students this time have scored 100 per-

centile), Piyush Saraogi is also studying technology. Saraogin, a final year B Tech student at Kolkata's heritage Institute of Technology, has also got calls from IIMs - Ahmedabad and Kolkata.

Interestingly, with the placement season already happening at IIT Mumbai campus, Malpani has already bagged a plump offer in Bangalore. And he prefers to keep it a closely guarded secret, for the time being.

"It's too early for me to comment as to where I want to work—India or abroad. I just want to get a good job and do well," Malpani said.

A seemingly upbeat Malpani family wants to leave it on to Gaurav to de-

cide as to which stream, he wants to pursue, "He has to decide which stream he wants to pursue, marketing or finance. Based on that we have to decide, whether he can get into IIM Ahmedabad, Bangalore or Kolkata" said Shyam Sunder Malpani, who is a senior accountant with a home grown FMCG company.

Ask him whether, he wants to start his own venture someday, this shy boy quickly retorts saying, "It's too early to decide even on that. Starting my own venture is too futuristic."

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[NEWSMAKER] PHANEESH MURTHY

Finally, a foot in the door of Indian IT's billion-dollar club

SHIVANI SHINDE

"I am no longer the promoter of the company. If you have any questions, please speak to my brothers." That was the only comment from Narendra Patni, founder and one of the promoters of Patni Computer Systems, as he finally exited the company.

For iGate CEO Phaneesh Murthy, slipping into Patni's shoes as promoter of the company that bears the latter's name could prove one of the biggest challenges of his career. After all, he takes over from the person credited with starting India's off-shoring business. At the same time, it could well be one of his biggest opportunities.

What Murthy does with the combined entity and how successful he is in merging iGate with Patni is still some time away. But one thing this deal has done is catapult him into a bigger league. Not that he will offer much competition to the Top Three IT services firms, but Murthy will certainly gain access to global deals and clients that were hitherto out of his reach.

For the 48-year-old IIT-Madras and IIM-Ahmedabad alumnus, the Patni deal brings Murthy back on the Indian information technology map after a gap of eight years. Starting his career with Sonata Software, Murthy soon joined Infosys Technology. As the head of sales, he took Infosys revenues from a mere \$2 million to \$700 million in 10 years.

He would have continued as the Infosys poster boy, but for a sexual harassment case that was slapped against him by former executive assistant Rekha Maximovitch. While the issue was settled for \$3 million, the episode brought Murthy's career at Infosys Technologies to an abrupt end.

But he was not down for long. He started Quinant, with the backing of the GMR Group. Within a short span, the company was acquired by iGate, with Murthy at the helm of the merged entity.

Acquiring Patni was Murthy's biggest challenge so far, but it is in line with his commitment to make iGate a \$1-billion firm by 2012 — a tough ask for a firm with revenues of just \$200 million. "This also shows his risk-taking ability. He has been a go-getter and will not back down easily," says an industry source.

Patni is not the first time Murthy has tried to bulk up through an acquisition. In 2009, he made an unsuccessful bid to buy scam-tainted Satyam Computer Services



— another company bigger than iGate in size. Nevertheless, the iGate-Patni combination certainly gives Murthy the size he was looking for.

But he is still a long way from playing with the Big Boys: TCS, Infosys and Wipro. Moreover, there are a handful of firms already in the \$1-billion club like MphaSis, Tech Mahindra, Genpact and HCL Technologies. As Murthy himself accepts: "The challenges is to take a company, which is moving like an auto rickshaw and convert its pace to that of a speeding car."

Therein lies the challenge. "The company last clocked a growth above 20 per cent in 2006 at 28.5 per cent. Since then, it has been growing at less than 20 per cent and in some years less than the industry average," says an analyst of a leading brokerage firm on condition of anonymity.

So, if Murthy really wants to break into the big league he will need to floor the pedal. "Our immediate priorities will be to create a new go-to-market strategy; create an integrated leadership team; reach out to customers, investors and employees. In the Patni model, the top 10 cus-

tomers don't grow much; they are growing at 1-2 per cent. We have to bring in our account management principles, which have been helping us to grow our top 10 accounts quite strongly," says Murthy.

"The immediate step should be to take clients into confidence. This would also mean sharing the future road map and some goals with them. Second is to focus on middle-management attrition."

ACQUIRING PATNI WAS MURTHY'S biggest challenge so far, but it is in line with his commitment to make iGate a \$1-billion firm by 2012 — a tough ask for a firm with revenues of just \$200 million

While employees will be relieved that finally there is stability in management, there will be some rationalisation of employees. More importantly, they should also raise the bar for client engagement so that they see value in retaining their services," says Sudin Apte, Principal Analyst & CEO, Offshore Insights.

There are positives, too. Despite being hit hard during the recession, iGate has emerged fitter and stronger. It has a presence in the mortgage industry. Its revenues in the last two quarters have grown at 40-50 per cent.

Sure, Murthy has a formidable task. He can take the combined entity to a much higher level and set a different pace for mid-cap IT players, with some help from Apax. Or become yet another firm in the \$1-billion segment.