

'Entrepreneurs must keep their core team together'

Raghu Rajagopal

Success gets talked about and a successful entrepreneur is held up as a role model. But there are lessons in failures too. This column will highlight the mistakes made by successful entrepreneurs and the lessons they learnt from their failures.

This interview is with **Mr Arun Jain, who is the Founder, Chairman and CEO of Polaris Software Lab Ltd.** With \$250 and a dream Mr Arun Jain has led Polaris to a global financial technology company today with annual revenues of more than \$350 million with 30 relationship offices in 16 countries and 7 business solution centres in India employing more than 9,000 professionals.

From the humble beginnings in 1993, Polaris has become a global financial technology corporation un-

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der the leadership and vision of him.

If you can dream it, you can do it! A strong believer in the power of the 'organisational subconscious' and 'common destiny', Mr Arun is the architect behind "Lakshya" the annual 'visioning' and goal setting exercise of Polaris. Lakshya continues to involve and inspire one and all at Polaris.

He attributes Polaris' success to the power of alignment at the organisational sub-consciousness. He is a voracious reader and enjoys his learnings on anthropology, philosophy, and religion and child psychology. Mr Arun believes strongly in people power and often says, "With committed people, you can achieve what most people think is impossible."

Mr Arun founded the Ullas Trust to integrate Polaris employees with larger community and encourage the

"Can Do It" spirit in students from corporation and Government schools. The Trust has awarded over 20,000 scholarships to students in Government and corporation schools in India. The Trust has been awarded "Social and Corporate Governance Award - 2008".

Mr Arun is passionately involved in researching and creating the Learning Architecture for the organisation and his vision of Polaris 3.0 is to position Polaris among the top 3 financial technology companies in the world.

In this exclusive interview with *Business Line*, Mr Arun Jain shares with the author some mistakes committed, lessons learnt and advises the young entrepreneurs on how staying together of the "core team" is important for building a successful venture.

What are some of the mistakes committed by you in your initial stages as an entrepreneur?

During Polaris' acquisition of a Citigroup subsidiary, OrbiTech (erstwhile COSL), I did not make immediate investments into expanding the sales force. On one side, we literally doubled our revenues from \$60 million to \$120 million. We should have doubled our sales force right away. But this decision to invest in a much larger sales force took a little longer. In terms of mistakes, this is what comes immediately to my mind.

What are some of the errors/wrong decisions made when you started growing? How did you correct them? Were those too expensive errors?

We had a clear vision of creating a global institution specialising in financial technology. While we made our beginning with services, we took the bold decision to acquire intellectual property and build our own



Mr Arun Jain

banking product suite, Intellect. This meant significant amount of investments and a clear long-term strategy.

We invested over Rs 500 crore to create a next-generation and the world's most comprehensive product suite for banking. But I failed in communicating to investors about our grand plans of getting into the product business, right at the beginning. Given the nature of the product journey, right at the beginning I should have set the expectations of the investor that this is not a one or two year journey, and that it would take a few years for the licence revenues to start contributing to the bottomline.

In our eagerness to go-to-market and show results, we were more 'reactive' rather than proactive with respect to our investor communication. Fortunately, our product, Intellect was rated 'Global Challenger' within four years of taking the product to the global market place! But it taught me a valuable lesson of setting the right expectation on results to any stakeholder, not just the investor.

Another error could be the fact that we took on multiple initiatives all in the same year, stretching leadership bandwidth and investments beyond imagination. In 2002, along with the historic acquisition of OrbiTech, we started Adrenalin (today a leading

product for Human Capital Management) and Optimus, our BPO subsidiary. Added to this, we had to deliver to our quarterly agenda. This period was almost like changing the wheels of an aircraft in mid-air.

Share two lessons you have learnt that stands out in your entrepreneurial journey that has made you build a successful enterprise.

a) I think unlearning is the fundamental step towards learning. One has to keep 'vacating' one's mind-space constantly to create place for more and more learning. So, the first lesson would be Keep Emptying the Cupboard!!!

b) Expecting others to perform at your level or your yardstick of measure may not always be right. Speed of implementation may not always be in sync with speed of thought.

Entrepreneurship has changed its flavour over the years. Looking at the current young entrepreneurs what is your advice?

Honestly, I do not see the entrepreneurship spirit any different. I keep seeing people with large dreams around me. I keep seeing the same hunger to make a big difference to the society and the world at large. I keep seeing the same conviction and confidence to 'walk in the dark' in most entrepreneurs.

One important advice to such entrepreneurs would be to keep their "core team" together! This trust, alignment and intimacy will take organisations far and above all, build the emotional quotient and resilience in the organisation.

(The author is the CEO of Energeate, an advisory firm for early stage ventures and cross-border companies with offices in Chennai, Bangalore and New Jersey. He is a Charter Member of TIE Chennai.)