

# Startup founders have to stabilise business before philanthropy, says Ashok Soota

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Ashok Soota, executive chairman of Happiest Minds Technologies.

## Synopsis

**In an interview with Alnoor Peermohamed and Raghu Krishnan, Soota also talks about his vision of an executive board to run the company, and SKAN, the not-for-profit he has launched for medical research on ageing and neurological disorders.**

The trend of established Indian entrepreneurs getting into philanthropy is growing and startup founders need time to stabilise their business before contributing to society, says Happiest Minds executive chairman Ashok Soota. In an interview with Alnoor Peermohamed and Raghu Krishnan, Soota also talks about his vision of an executive board to run the company, and SKAN, the not-for-profit he has launched for medical research on ageing and neurological disorders. Edited excerpts:

**You are a powerful leader, CEO and why does this new model shun individual visionary leaders who might be powerful?**

That's precisely the reason. The more visible a leader, the more difficult it is to get the

person's direct successor. You had Microsoft after its founder Bill Gates, you had GE after Jack Welch as examples, you don't always get a succession of good CEOs. I think the most remarkable exception to this has been TCS, three superb CEOs to see them through 50 years. Infosys also went through its problems and if the promoters had not been around, it would have been difficult to get that change. Wipro, you can see, has also made a couple of choices. I'm not being negative about the leaders, sometimes they may be good managers, but not the right people at the right time. So, this fits into my other theory that says every third or fourth generation, you will get a bad leader. Going back to the statistic I've quoted, 80% is the number of the companies which were listed after 1960 in the US that have disappeared. We assume that companies will exist in perpetuity, but they don't, and another 15% they say will disappear soon. This is what I'm trying to guard against with what you might call an out-of-the-box model. The real proof of the pudding can come only in the long-term.

**What are the measures you have put in place to ensure business continuity and company being relevant in future?**

The executive board will see a change every five years. We have identified Aurobinda Nanda (deputy CEO), who will move in, and Joseph Anantharaju (vice chairman) will move out of the EB to whichever role current Indian legislation allows. Logically, Joseph should move into the chairman role. Another five years, we will plan the next level of change. In the next board meeting, we will identify potential EB members and put them on a development plan. There will also be outside talent because it is good to keep new thoughts and ideas. The EB is not a one-off attempt; they continue to work together and groom the next EB member and therefore you can't have one person suddenly becoming a Monarch CEO.

**What's the reason for the 10X10X10K formula for doing research in SKAN? Doesn't some research take multiple decades to be finished?**

It's pretty early days and it would be very foolish of me at this stage to say that (10 years is enough time to do research). We're saying we don't want to be just a funding agency, but will also contribute something towards every project that we do, so we become a part of the consortium which is handling the project. Now we are also building our own capabilities, and in a 10-year period, I think we'll have time to show deliverables. Since I've said this is created for perpetuity, I would say that logically we should be able to ensure that those projects which need a longer-term study after the end of 10 years, those projects get extended and create the pool for a longer time period.

**How does India get more of its wealthy people to engage in philanthropy?**

Indian entrepreneurs and even some of the older businesses are doing a lot of philanthropy. I don't think we see how much is being done aside from the more visible examples of Azim Premji, Shiv Nadar, Nandan Nilekani. So, everybody is pouring in money and a lot of work is going on. And it's not just new money, if you look at the TVS Group and the Tata Group, they've poured an enormous amount of money into philanthropy, and I think it's picking up more and more. I don't think that Indian entrepreneurs or people with high net worth are holding back now. Of course, it can be more, and the more visibility it gets, the more satisfaction they get.

## **Do you see enough of the younger startup entrepreneurs who have created a lot of wealth recently looking to contribute to philanthropy?**

At the moment they've got a challenge of keeping their companies going with the expectations that they've created. A company which is losing hundreds of millions of dollars a year can go public at a multi-billion-dollar market cap and that's a huge challenge, because now you've got to satisfy the expectations of the market. They're also in industries that are changing so rapidly where you have newer competition coming in by changing existing models. So, I would not say whether they're inclined or not inclined (to do philanthropy). The best thing they can do is to make a successful company, stabilise them and show that they can continue on a good steady path for 10 years. Then they will also get a lot of wealthy owners and promoters.

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