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## India's Most Valuable CEOs

# MAKING IT TO THE TOP



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**WHAT MAKES** a good CEO? There is no unique answer because a lot depends on the stage of a company's evolution and its context. But some characteristics help.

Thinking through, defining, articulating a purpose, value system and culture, which pegs an organisation and keeps it constant while strategies and tactics evolve allowed outstanding CEOs like Harsh Mariwala to script the sustaining success story at Marico. Ensuring that all actions were consistent with this defined purpose and value system is what allows the advantage to persist.

Understanding where the world is going and how the business needs to compete is necessary, but then being able to make the changes to prepare is essential to gain the advantage. A good CEO and leader like Aditya Puri of HDFC Bank must articulate a point of view and then communicate, inspire, cajole, persuade, motivate and sensitise the organisation to move along the direction he wants. He must personally set standards and create a fun, meritocratic environment within the firm to attract the most talented and motivated people and then allow them to contribute and rise. The good CEOs always ensure alignment of authority and responsibility.

They understand that they need to be connected. They should have direct communications with people at every level and with each customer. Those that isolate themselves in ivory towers like Richard S. Fuld of Lehman did with an office in a separate floor and a separate elevator run the risk of the world moving away from them and their business becoming irrelevant. The rate of change today is faster than it's ever been and eight years of virtually zero marginal cost of capital in the developed world has set up the world for disruptive innovations. It is the front line and often the youngest that have the least investment in maintaining status quo that will spot this and communicate.

Self awareness and self belief are essential. Self awareness allows the leader to know when to trust their instinct and in which situations they

can go with their intuition and where they need to follow someone else's council or look for more data. Knowing what they know should come from the rigour of continuous learning and is essential to allowing tenacity in the face of adversity. Having true wisdom in Confucius's book by knowing what they don't is equally critical.

A CEO who can infuse an action bias by imagining the future and bringing it to the customer will win in the long term. But there will always be a high failure rate. The CEOs who can create incentive for good failures and disincentives for suboptimal successes, always come out ahead. The ability to handle failures but to keep on trying to get better allowed Chandra Mohan to build the outstanding Punjab Tractors.

An ability to think originally and differently from the crowd or consensus when environmental change and logic support it is crucial. Those like Chuck Prince, whose approach of going with the crowd and following the institutional imperative embodied in his now infamous quote "you have to get up and dance as long as the music is playing" will bring even 100-year-old institutions like Citibank to their knees.

Outstanding leaders use unorthodox methods. Chengis Khan's deliberately diffused reputation for barbarity was deliberately inculcated. Catapulting heads of previously killed enemies and brutality with those who revisited allowed Chengis Khan to build the largest kingdom known to man but paradoxically he did it with the least bloodshed per square kilometre of territory captured. The same carefully cultivated image allowed him to run the vast empire with the lowest crime rates ever in recorded history.

And last but not the least, the good CEOs need to be unreasonable in terms of defining aspirations, demanding excellence and stretching the conceptualisation of what's possible. It is this passion for excellence and an eye for detail which allowed S.P. Oswal to build an outstanding franchise at the Vardhaman Group in a globally commoditised industry. Like once quoted by Bernard Shaw: "Excellence depends upon the unreasonable man." **BW**

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