

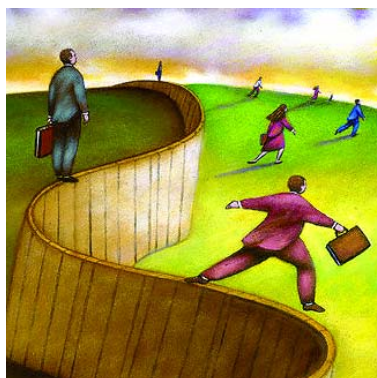


Intrapreneurs Turning Entrepreneurs

The day before Diwali, EXL went public on NASDAQ. This came barely three months after WNS, another India based BPO, was listed on the NYSE. The Indian BPO story has come a long way. To me this is also a story of how seasoned corporate executives are turning into successful entrepreneurs. Vikram Talwar worked at Bank of America and E&Y for 26 years before he jumped ship to setup EXL. Raman Roy cut his teeth at American Express and GE before founding Spectramind (now part of Wipro). Even Sanjeev Aggarwal, co-founder of Daksh (now part of IBM), spent 15 years before taking the plunge.

Senior executives become Intrapreneurs first and then go out and form their own venture

This is not a new trend. SAP was founded by senior employees of IBM Germany. Business Objects, the leader in business intelligence software, was formed by Oracle's marketing manager in France. The Infosys founders came from Patni. HCL's founders came from DCM Data Products.



These executive-turned-entrepreneurs are a different breed from the student-turned-entrepreneurs like Jerry Yang (of Yahoo), Larry Page and Sergey Brin (of Google), or Alexandar Amosu (the "Lord of Ringtones"). Amosu's example is quite instructive. In 2000, when he was 24, Amosu was tinkering with his phone one day, when he decided to try to compose a ring tone by simply punching different buttons on the keypad until he got the tune right. Soon R 'n' B Ringtones was born. It took in nearly \$2 million in the first year itself, and that marked the end of Amosu's university career.

The hunting grounds for these two kinds of entrepreneurs are quite different. Typically, student-turned-entrepreneurs do better with consumers. They are able to smell out trends among early adopters, usually their peers, and

cash in on that. In contrast, executive-turned-entrepreneurs hunt in the enterprise segment. They too smell out new opportunities, but then leverage their professional relationships to build and sell complex enterprise offerings.

Isn't it true that if you stay in a big company environment for too long, you lose the ability to be an entrepreneur? Indeed it is. So how is that some senior executives break the jinx and turn into successful entrepreneurs? The reality is that they almost always go through a critical step in the middle. They first become 'intrapreneurs'. As intrapreneurs they try and bridge the gap between new market insight and customer revenue. They compete for internal capital and fight ingrained, inbred and inept management. In doing so, they build their entrepreneurial muscles. In time, they develop the confidence to break free. They give up the office infrastructure, the support staff, the sales channel and the brand to go out and form their own venture.

Obviously not all intrapreneurs become entrepreneurs. Yet the act of intrapreneurship is important in priming the pump. Today we are not doing enough in India to foster intrapreneurship. We need to create forums, special interest groups and specialized executive courses to nurture intrapreneurs. TiE can play a role here. And so can organizations like the NS Raghavan Center of Entrepreneurship at IIM Bangalore and the Wadhvani Center of Entrepreneurship Development at ISB Hyderabad.

So the message for you aspiring entrepreneurs is to become intrapreneurs first, and then step out into the world of opportunity.

