

Entrepreneurship can change India

To sustain the recent growth and alleviate poverty, FRANK ISLAM says India must encourage the entrepreneurial spirit

INDIA has grown spectacularly in the past decade, with its economy consistently posting growth rates of more than 6 percent. The wealth created in the country in the past few years is comparable, in many ways, to the affluence achieved by China since the 1980s.

India is now attracting significant foreign investments and fostering a business climate that has created a vibrant new generation of business leaders. A new class of entrepreneurs is emerging, adding momentum to India's economic boom. Yet, the country has a long way to go.

India is only shining for a small minority. For far too many, India is getting darker and poverty is still an enormous problem. What we have in the country are islands of prosperity in an ocean of poverty.

The lack of basic access to sanitation, education, nutrition and healthcare represents a broken base that precludes many Indians from advancing up the pyramid of success. Poverty drains institutions of good governance, depletes scarce resources, weakens leadership and crushes hope. It fuels frustration and desperation.

As an entrepreneur, I look at India and see that the potential of free enterprise and creativity can unlock many of the intractable problems the country face today. In fact, entrepreneurship played a huge role in the recent economic boom. It is no coincidence that the boom coincided with the growth of large businesses such as Reliance, Wipro and In-

fosys, among others.

The success of these businesses, which are now global entities, show that there are many opportunities for entrepreneurship in India—many more Reliances, Wipros and Infosys are needed.

Small Indian businesses hoping to become global brands need to, as a first step, identify and exploit the openings in such industries as energy, infrastructure, education, communication, transportation and information technology. They should venture into all sectors of the economy, not just a few.

Flow of large capital, especially into sectors such as education and health care and emergence of small and big entrepreneurs from within these industries will help wealth trickle down.

Some of these sectors might not offer huge rewards in the short term. But then, entrepreneurship is all about taking risks, being focused and committed. It is about confronting uncertainty with optimism, ingenuity and creativity. One has to get out of the comfort zone, venture into new horizons and experience new environments. One must not be afraid of taking chances.

The government and the Indian businesses, on their part, should help young men and women to become entrepreneurs.

For an entrepreneur to succeed, capital is needed to convert the vision into reality. Governments and banks have an obligation to provide loans and seed funding to entrepreneurs. These young entrepreneurs must also



receive business mentoring.

My own experience as a CEO has taught me few basics of entrepreneurship. One, entrepreneurship is not primarily about maximizing profits, but rather engaging all the stakeholders — that is, the communities and people who are affected by the nature of your business. To be a good entrepreneur is to treat people with utmost respect and dignity. Two, one has to love and enjoy entrepreneurship—

which I do immensely. There is nothing like the excitement, glory, fun and sheer thrill of starting something from scratch and watching it grow into a large enterprise of astonishing proportions. Thirdly, I cultivated a vision-driven organization into a tightly focused company whose employees all knew precisely what was expected of them, and always delivered exactly what they promised. I gave people at all levels specific tools and metrics, and enforced fact-based decision-making. Managers at all levels in my company honored these commitments, engaged in disciplined meetings, focused on decisions and measured progress against stated objectives. I surrounded myself with some great performers who delivered results.

Promoting entrepreneurship is critical not only for sustaining the current level of growth in India, but also for alleviating poverty and illiteracy, which together have kept the country on the beaten path for centuries. The country needs to create more wealth, which must be shared with more people across the society.

Frank Islam, chairman and CEO of FI Investment Group, L.L.C., who has been living in the D.C. area for the past twenty years, hails from Aligarh, India. Also an active philanthropist and enthusiastic supporter of various political causes, Islam has B.S. and M.S. degrees in Computer Science from the University of Colorado. More information on him and FIIG and can be found at www.fislam.com and www.fiig.net.