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The elephant in the start-up



BOOK REVIEW

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This is essentially a book for management practitioners because it provides many practical tips on running a corporation — how to handle the media, deal with high-profile consultants, or hire the right person for the job. But it is also an interesting read for those who do not understand management jargon and yet want to gain an insight into the challenges organisations face in their journey from a start-up to a large corporation. That's because *The Elephant Catchers* bears Subroto Bagchi's trademark res-

able style. The veteran manager and entrepreneur knows how to tell a good story; he links anecdotes from his childhood in Odisha to the challenges he confronted as founder and CEO of information technology (IT) firm Mindtree, through to running an organisation.

So why is the book called *The Elephant Catchers*? The title is the heading of one of the chapters, but it also reflects Mr Bagchi's core message. Mr Bagchi grew up in the tribal districts of Odisha, where small-game hunting was usually a simple exercise for which the entire village got together with little planning and plenty of festivity. But hunting elephants was another business altogether: it demanded planning, dividing tasks between groups and, unlike the more frequent rabbit catching, a lot of training. Similarly, a start-up is a bit like tribals chasing small game. But as the

organisation expands, he says, you need elephant catchers who can tackle the complexities of growth. And the central theme of this 229-page book is the challenges of scaling up.

One could argue that Mr Bagchi has eulogised the success of his management principles in Mindtree, since the book is full of anecdotes from his tryst with the IT firm, and that he may be overstating things a bit, given that the company is still not in the big league of the IT business. One could also be sceptical about whether all these tips on running a business actually work in a cut-throat competitive environment.

Take, for instance, the controversial issue of "paid news", which Mr Bagchi deals with in his chapter on building valuation for the company. He says a top media house approached him saying it would take equity in Mindtree and, in

exchange, offer more editorial space and also go easy on any negative news that might emerge about the company.

Mr Bagchi refused the offer because he believed he would never give up equity at a discount in exchange for goods and services. Opinion on this issue, however, is divided. Many like Mr Bagchi will take a principled stand, but there are myriad small- and medium-sized companies that will not agree with him. They claim they have benefitted from such an association because it allowed them to build their brand at a relatively low cost and increase the valuation of their operations.

Interestingly, Mr Bagchi is not an ardent believer in mergers and acquisitions (M&As) when it comes to growing a business, a view many large organisations would take with a pinch of salt. Indeed, they may be inclined to say his scepticism arises from the fact that his M&A experience in Mindtree was not the best and there were failures, possibly because the company did not do its due

diligence well. The author, however, has strong views on the issue. He says managers look for acquisitions as an easy way out when they run out of ideas. Most M&A literature will tell you, he contends, that M&As do not work and are value-destructive and culture-dilutive.

So how should start-ups gain scale, especially when they are pitted against established players that have large turnovers and market size going for them? There is hope, the author says, because customers do not entirely base their decisions on "rational thought" even though the start-up is pitted against big entities. Sometimes, it is possible to create magic if you can connect with customers emotionally as a hungry, willing, trustworthy and interesting new player.

Mr Bagchi also deals at length with the issue of hiring. He points out that organisations need both "hunters" and "farmers". He explains there are some people who are very good at spotting opportunities and opening doors ("hunters"), but not at building a rela-

tionship or solving problems. For the latter function, you need "farmers".

Most of all, it is about consultants that Mr Bagchi offers some noteworthy pointed advice. Many critics argue that consultants do not provide value for the big bucks they ask for. Others swear by them. Mr Bagchi's advice: one, do a reference check before hiring a consultant; two, be clear about what you expect from consultants; three, settle the fee, don't keep it vague; and four, if you want to implement the consultant's recommendations, remember that you have to fork out the same amount to do so. The fifth point, however, is the gem. According to Mr Bagchi, you will get all you need from consultants in the first six months; after that, they are merely repeating themselves. Famous last words!

THE ELEPHANT CATCHERS

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