

CAN ETIHAD SAVE JET FROM CRASHLANDING? / Pg.32

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PHILANTHROPY  
AWARDS  
SPECIAL  
Pg.44

**ROMESH  
WADHWANI**  
*wins the Distinguished  
Non-Resident  
Philanthropist Award*

+

Rohini &  
Nandan Nilekani  
Swati & Ramesh  
Ramanathan  
The Bajaj Family  
Godrej Foundation  
Narayana Health  
Amit Chandra  
Anu Aga  
Archana Raghuram

## THE POWER OF GOOD

Indian philanthropy is gradually coming of age and scaling up to make a difference



# THE RENAISSANCE MAN

After founding and nurturing several companies, **Romesh Wadhvani** is bringing the same principles and passion to philanthropy

By SEEMA SINGH

**I**t was the afternoon of January 25, 2012. Most researchers and faculty members at the National Centre for Biological Sciences (NCBS) in Bangalore had gathered at the sun-lit colonnade to hear Romesh Wadhvani speak. The billionaire

entrepreneur was there with his wife Kathy to inaugurate a new research centre named after his late mother Shanta Wadhvani. He made a brief address—he explained why he was investing in the centre that would pursue world-class research, an area

in which India didn't have much to talk about. After that, he pressed a key to remotely unveil the plaque. But it didn't work. He turned to his hosts and softly said: "This is where you should be using an Apple [computer]."

He brought it up later again,

only to realise that, as government institutions, many places like NCBS are bound by government rules, sometimes archaic and impractical. Buying an Apple computer for official work is unthinkable for the most part. Wadhvani, after nearly a decade of intense philanthropic work in India, has come to appreciate this constraint. Which is why a small part of the endowment to the Shanta Wadhvani Centre is used for some seemingly trivial purposes, such as allowing a researcher to fly a foreign airline (Indian institutions can only reimburse Air India tickets) or paying for some technical lab work—like getting a genetic mouse model made in Germany—in foreign currency.

For a centre that is trying to do cutting-edge work in cardiac hypertrophy and brain development disorders, collaborating with global counterparts is the name of the game where even a tiny, but enabling,

## ***Wadhvani Foundation's pantheon of programmes epitomises Romesh's style of philanthropy: Getting the microscopic and the telescopic view in one shot***

travel grant can make a huge difference. The Shanta Wadhvani Centre may be the newest, and hence the smallest, initiative in the Wadhvani Foundation's pantheon of programmes, but it epitomises Romesh's style of philanthropy: Getting the microscopic and the telescopic view in one shot. "He is a renaissance man; it's amazing how he can span the level of abstraction, from the big picture to nuts and bolts," says K Srikrishna, executive director of National Entrepreneurship Network (NEN). A 10-year-old initiative of the Wadhvani Foundation, NEN

is now entering its next decadal phase where it hopes to be a force multiplier in entrepreneurship.

### **THE SURE THING**

Soon after Wadhvani entered the world's rich club, primarily on the back of selling Aspect Development to i2 Technologies in 1999, he set up Wadhvani Foundation. He wanted to make sure he gave away a significant part of his wealth to help people in emerging economies where there is no well-established pattern or culture of philanthropy. At a time when biomedical research, education and health care were philanthropists' favourites all over the world, he chose two new themes—job creation and economic acceleration—with focus on scale and the highest possible impact.

When you create a job, you help a person for life, you help their family and its succeeding generation for life, he says. "Other philanthropic

activities are important but they don't necessarily translate into lifelong value," says Wadhvani.

In 2003, when NEN was started, no college or university in India had any entrepreneurship programme. Today, more than 500 of them have it and are part of NEN, which has created entrepreneurship clubs in 350 of them. Nearly 3,000 faculty members have been trained—1,300 in the last one year alone—and a mentor resource network of 3,500 successful businesspersons and venture capitalists exists to provide free consultation in 30 cities.

Wadhvani is most passionate about the entrepreneurship initiatives, though four other programmes—skill development, mainstreaming disabled, innovation and research and Indo-US policy—have been taking shape under the foundation. "Every country has found that the best way to create jobs is to create entrepreneurs who will start and grow companies," he says.

If you can fulfil potential job opportunities then you help companies grow; these, in turn, will create more new jobs, he believes. Über entrepreneurial philosophy, one could say; first-hand-experience, he'd counter. A serial entrepreneur who has probably created more than 40,000 jobs in his career of more than 30 years, his laser-like focus on employment is understandable. India does have a crisis: Only 15 million jobs have been created in the country in the past seven years.

Under a skills development initiative, his Foundation is aiming to skill 5 million people in 10 years. The math is being done accordingly, from choosing skills that will add up to that number to selecting partners who have their skin in the game.

"He has an amazing level of drive and focus, which he also brings to philanthropy. He is very clear about what he wants to achieve," says younger brother Sunil Wadhvani. As a co-founder of Mastek, which morphed into iGate Global Solutions, Sunil is a force to reckon with in the entrepreneurship world. As a child, he recalls, Romesh was extremely driven by outcomes, even in the toddler years when he underwent a series of surgical procedures for polio. "Sometimes he would run a high fever, but always topped his class," says Sunil.

Often, Romesh turns a raconteur to inspire his team. In October,

when he was in India, he told NEN employees that even though by most measures he is a successful individual, creating a reasonably good number of jobs in his career, what NEN could achieve is way beyond his own accomplishments.

Two years ago, Wadhvani signed The Giving Pledge that Bill Gates and Warren Buffett have been championing. But that is more for learning the best practices from other philanthropists. The Pledge requires the rich to commit 50 percent of their wealth, but Wadhvani and Kathy had already committed more than 80 percent to philanthropy much earlier.

#### DEVIL IS IN THE DETAIL

It would be a mistake to consider the large numbers of startups and jobs his Foundation talks of as aspirational. Wadhvani has put excruciating details in place to ensure that they don't remain aspirational. For instance, three years ago, the Foundation was directly able to trace 200 startups to NEN. Last year, it was 700, and this year the Foundation expects to list 1,200 to 1,500 startups as a result of its entrepreneurship initiative. If this growth continues, then it's not hard to imagine that 10,000 to 20,000 companies will be formed by 2022. As for jobs, each startup creates six direct jobs and five indirect ones. By that count, even if 15,000 startups are formed, some half a million jobs will be created.

But for things that are not measurable, says Srikrishna, Wadhvani is willing to take a nuanced view. If five guys in a Durgapur entrepreneurship cell get placed in TCS due to leadership skills and not an engineering degree, is that an NEN impact? It would be fair to say NEN is the precursor to what Peter Thiel, billionaire tech investor,

is doing with Thiel Fellowship or what third-generation venture capitalist Tim Draper at Draper Fisher Jurvetson is doing with University of Heroes for student entrepreneurship in California, US. Apart from other things, one big difference is that while Thiel and Draper are directly putting money in the student startups, Wadhvani wants to steer clear of seed funding. He doesn't want the Foundation to be picking winners or losers as that would damage its neutrality. "People will start playing political games and position themselves to get the seed grant," he says.

Yet, he recognises that risk capital for startups is scarce in India. He is relying on a tested US model, where under the Small Business Innovation

Research programme, 13 US government agencies gave seed grants to startups. This, over the decades, has been the most catalytic contributor to America's innovation and entrepreneurship system. Wadhvani thinks if Indian PSUs and ministries gave away even 1 to 2 percent of their annual budget as innovation grants to startups, thousands of companies could be funded. The Foundation has written a white paper on this and is going to circulate it among all government agencies.

It is not money alone that fuels entrepreneurship. India's tortuous labour laws, which he believes prevent Indian non-IT companies from scaling up, and the absence of a market place, nip many startups in the bud. Through NEN programmes and in his own interaction with the government, he has been raising awareness about this.

The revenue department doesn't audit your books before your taxes are paid. The same logic must be applied to entrepreneurs, he says. "Give them the benefit of the doubt; do not treat them as if they are criminals and need to be checked out before they've started," he says. Because of this attitude, it takes weeks and months for a company, again non-IT, to be incorporated.

Regulations should follow entrepreneurship, and so should the marketplace, as has been demonstrated by the US and Israel. Since 30 percent of actual purchases are made by the central and the state governments, he would like to convince them that they keep aside 10 to 20 percent of procurement for startups.

An equal amount of detailing has gone into developing skills as well. Once the skill is identified, the Foundation swings into action to build technology delivery platforms, train

### {DISTINGUISHED NON-RESIDENT PHILANTHROPIST}

#### ROMESH WADHWANI

Age: 66

**Why He Won:** For creating institutional frameworks for entrepreneurship in India. The Wadhvani Foundation has created a resource network for young entrepreneurs to dip into and is working to get policy bottlenecks removed.

**His Trigger:** He wanted to focus on key issues like job creation.

**His Mission:** His Foundation aims to help create 15,000 to 20,000 startups, and half-a-million new jobs by 2022 and skill 5 million people.

**His Action Plan:** His model is based on leveraging financial resources from stakeholders—institutes, government, corporates—in the 10:90 ratio (Foundation:stakeholders).

**His Next Move:** To strengthen existing initiatives; work with government agencies to ease the process of setting up startups; improve the innovation grant environment and convince governments to include startups in their procurement policy.

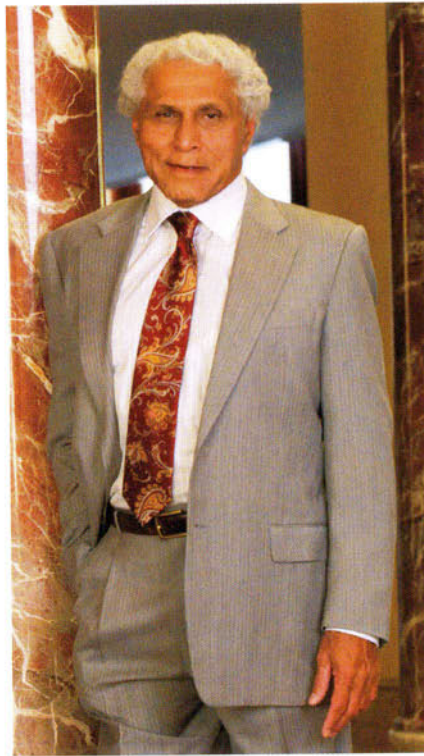
project managers, make best practices playbook and stitch partnerships.

The Foundation chose nursing as one such area, as India will need more than 2 million nursing aides over the next 10 years. It is collaborating with Narayana Health, which had already developed a nursing curriculum, to convert classroom courses into online courses that large and medium hospitals and village clinics can use.

The next channel for the Foundation is schools. Working with the Union ministry of human resource and development and the state governments of Haryana and Himachal Pradesh, the Foundation has rolled out a best practices programme in four occupations in 40 schools that impact 15,000 students. Discussions are on with Karnataka and Bihar for similar exercises.

In one of his pursuits, Wadhvani has been holding discussions with Union minister Kapil Sibal about setting up community colleges for skills development, and laying down the framework for what these colleges would mean for India. The government has finally committed to setting up 200 of them. Wadhvani says if the government fulfils its commitment, rolls out physical infrastructure for these colleges, and recruits the right kind of faculty and teachers, his Foundation will fund the entire knowledge infrastructure, including the technology platform that would integrate online and classroom learning in these colleges. It would also provide the connectivity between community colleges and the employer community—a key link that would ensure students are rightly placed and the colleges are skilling for the right kind of jobs.

It's a gargantuan effort, and open-ended at that. To put it in perspective, what constitutes one



sub-stream for the Foundation is the entire business for Coursera or Udacity, the much-popular MOOCs (massively open online courses) that are aiding, if not disrupting, university systems across the world.

### THE ROI TRAP

Was Peter Buffett, son of billionaire philanthropist Warren Buffett, right when he created a storm by writing in *The New York Times* that with business-minded people getting into philanthropy, business principles are becoming essential elements to philanthropy? Buffett said people have begun asking for ROI (return on investment).

Wadhvani says the business thinking he applies to philanthropy is about setting very clear objectives and outcomes that he has to measure. "I don't measure ROI. If I invest \$100 million, create 10,000 startups, a few more thousand jobs and several other indirect jobs, I have no way to measure

what the ROI is. What were the other influences in that person's life that caused them to form companies, succeed and create jobs?" he asks.

Philanthropists are the undesignated, yet the undisputed, venture capitalists of society. Shouldn't then philanthropic money be the best risk capital available? "The answer is yes, and yes," says Wadhvani. Foundations, he believes, should not measure themselves on ROI, because so many fields of philanthropy don't lend themselves to easy ROI measurement. "The passion a sixth grader has in learning, you have no way to know if that is going to end in literature, science, arts or technology. How do you calculate ROI on that?"

Within Wadhvani Foundation, argues Ajay Kela, president and chief executive, there is ample risk appetite: "Our money is going in risk capital. We may not fund third party ventures, but all our initiatives are high-risk ventures."

The Symphony Technology Group, a strategic private equity firm that Wadhvani has founded and runs as its chief executive, has 10 companies within its fold. It won't be wrong to say the Foundation forms the 11th company. Where does that leave time for anything else? "Behind his serious exterior is an amazingly devoted family person," says Sunil. Their mother, who passed away two years ago, spent the last 10 years of her life with Romesh in California. "He is the pillar of the family." For Sunil, who is getting active with his own philanthropic work in India with WISH—Wadhvani Initiative for Sustainable Healthcare—just looking at the older brother was sufficiently inspirational. People who work with Romesh at the Foundation say the same. "His passion and dedication is equivalent to everything else he does," says Kela. **F**