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Reversing the brain drain

Indian institutes of technology and science (IITs and IISc) are rated among the best in the world, probably in the same league as Harvard and Oxford, in the academic circles. A cursory look at the number of Indians adorning top positions in premier organisations in the US and UK reveals an overwhelming majority of IIT/IISc alumnis in them. But the sad part of the story is that IITians haven't been able to contribute significantly to the Indian economic growth with all their innovativeness and entrepreneurship. Isn't it sad that more than 70% of the IITians don't remain in India to serve the country's cause?

Right as it may seem, one cannot blame the IITians for deserting their homeland for greener pastures. The argument is simple -'Brain drain is better than brain in the drain'. IITians are not the only ones deserting India for plush jobs abroad; they are just the front end of a larger exodus of Indian engineers finding greater favour in the West.

However, there finally seems to be some hope that the leak would be plugged. With an unprecedented growth in IT and with Internet offering a level playing field, India is slowly developing into a favoured destination for IT development for the world majors. Indian entrepreneurs who have escaped the lure of the west have done enough to prove to their brethren and to the rest of the world that we have a plethora of opportunities in India as well, if only there is a will to pursue the same. Narayana Murthys and Rajesh Jains apart we have a whole new breed of young entrepreneurs making it big in the infotech world emphasising the fact that India is very much a force to reckon with in this idea world. The tremendous opportunities that Internet is opening up for anybody who has a good idea has made many westbound IITians to stop in their tracks and explore business opportunities in India itself.

Further, the intent shown by several IIT alumnis who are stars in the techno-business world, to fund better research and development facilities also suggests that there has been reversal of trend. The proposal by former IITians like NR Narayana Murthy and Kanwal Rekhi to offer funds for the development of IITs and research facilities in India goes a long way in assuring the Indians that they have everything to stay back for in India. Along with it has begun an influx of many IT entrepreneurs who are coming back to India to tap the emerging markets here.

Finally, the statement made by the latest multibillion sensation Gururaj Deshpande that India is second only to the US in terms of entrepreneurial zeal, must dispel doubts if any from the minds of young Indians about their own competitive advantage. All these developments point towards just one thing, the imminent 'reverse brain drain', which is bound to create a better India for tomorrow.

- G P Vinaybabu,
Executive Editor,

Another boost to the dotcom boom

Strategic Businesswire / Mumbai

Supplementing the dotcom boom in the country was the arrival of none other than Gary Wendt, former CEO of GE Capital, presently heading Global Opportunity Advisors, USA. With a 25% stake in GW Capital, his new venture capital outfit in India, he would 'invest and build' for the dotcom dreamers of this country. And as could be expected from a legend of his kind, he was arrived in style, with a 50% participation of Ambit Corporate Finance and 25% from HDFC.

Gary is going to head GW Capital India along with Ashok Wadhwa of Ambit on board. In all likelihood, Deepak Satwalekar, MD of HDFC would also be on the board. The company would mobilise and invest US\$ 150-175 million in the next one year or less. About US\$ 50 million would be mobilised from India, and another 50 million from Europe and Gary's Global Opportunity Advisors would chip in the rest. GW Capital has already invested over US\$ 12 million in six Indian internet related ventures.

The new asset management company will evaluate the prospect in India through its officials Vishal Nevatia and Rahul Mehta. Once the investments are made, Global Opportunities would bring in the management expertise, Ambit will help the tax and regulation matters and HDFC would help to manage the risk.

Gary moved out of GE Capital in December 1998, with his handpicked team of six, each one supplementing his vision to invest, build and sell, through different competencies, one for process structuring, one for investments, one for marketing and so on. These professionals would provide the required wisdom for building the businesses GW Cap invests in.

Gary says he looks forward to India for the best in human resource and intellectual capital. India is the second largest place he has zeroed in for investment next only to Japan. India has been the preferred investment destination, not only for these reasons, he says, but also for the ease in dealing with the English speaking countries. "If only Indians learn to speak Japanese," he muses, pointing at another major opportunity.

It's going to change the way we live... it's as big as the industrial revolution

"You have to be slightly crazy to be an entrepreneur," say Gururaj Deshpande. An interesting observation from the 48-year-old chairman of Sycamore Networks, Inc., which has been making waves recently. And riding the crest of the wave is "Desh" as he is popularly known, now regarded as the richest Indian.

Serena Franklin / Mumbai

In October last year his name was emblazoned into history when on the very first day of listing, the Sycamore share went from a mere US \$38 to an astounding US \$270. The share trades today at the rate of US \$3.75 billion. Definitely a billionaire, but you could mistake him for the plain nice guy next door. "Desh" is the brother-in-law of yet another unique person N R Narayan Murthy, chairman and CEO of Infosys Technologies Limited.

Deshpande was in the city recently to deliver the keynote address at Nasscom 2000. While in Mumbai he addressed businessmen and senior management in an experience sharing session entitled 'The Sycamore Story - Vision to Reality.'

His definition of a genius is "a crackpot who has hit a jackpot!" Asked if he thought the Internet boom would soon be on the wane, he said that on the contrary he expected the Internet boom to continue for a least half a century. "It's going to change the way we live. It's as big as the industrial revolution on a bigger scale in a shorter time - exchanging information and knowledge - which empowers people, and gives the consumer the luxury of swift multiple choices, without much legwork.

Everyone remembers the name of the first man to land on the moon, but hardly anyone remembers the name of the second man. It's the same in the Internet sphere, he said. The first mover is always the shaker and he makes money, but expectations are so high for the first guy they wait for him to trip! The second makes some money, the third more or less breaks even, but the fourth, fifth etc will lose money. It's a question of perception and conviction - you don't want to be the second guy, you want to leap frog your way to the top! He stressed.

With regard to India, Desh said India is well positioned in the Information Technology (IT) revolution. Indian software companies would probably be the architects of the next generation of software, optimism runs high, people have to believe there is an opportunity, and although infrastructure, power and energy are the key factors, barriers must be overcome to make this happen. In India the nice thing is that the states are competing with each other, so this will snowball itself and the fillip will come from venture capital which is gaining momentum.

He predicts that the networked economy will change every business and unlike the earlier paradigm where information flowed from producer to consumer, it will now flow between consumer and consumer rapidly. "Any good thing or any inefficient thing anywhere in the world will be known to every other part of the world quickly in the networked economy. Any change in technology or business process is a sign of the networked economy happening, and will throw up opportunities for entrepreneurs.

Unlike in the past where start-ups needed an earth-shattering breakthrough, like super - conductivity, in this age it is the application of ideas that matter. Deshpande finds the entrepreneurial skills in India, only next to that of the US and advised entrepreneurs to take advantage of the changes that are happening and being caused by the movement to a networked economy. However he cautioned, "In the networked economy, people who do not add value will not last, unlike in the past where people could do well simply by holding on to information." He observed that the techno-income gap between the US and India is definitely closing. On why he named his company Sycamore Networks, he said the Sycamore tree is like the banyan tree and lives for about 400 to 500 years, the analogy is on longevity and a broad base, at present his sole focus is on Sycamore Networks. "It occupies my mind all the time and I will be satisfied only when it reaches all recesses of the globe. With regard to the India Sycamore connection he said that India could offer business opportunities in terms of an R&D base and in building a fibre optic arm for the country. The role of a government is to work well and let others take the risks - like investing in bandwidth.

Deshpande also stressed the importance of team spirit; once the team consisting primarily of three key persons is in place there should be a total trust. There should also be total conviction about an idea. Speed is of essence. Employees should be empowered - and entrusted with responsibility, easy and quick decision-making capabilities should be their forte. The employer should definitely share rewards with employees.

In Box

Information technology is playing a vital role in enhancing businesses of many companies. More and more news in most of the daily newspapers are IT-related. It reflects strongly that the millennium is IT focused. So it will be good if you could carry more user company news items in Digital Age.

Suresh Menon, Coimbatore

Being a second year engineering student, and having a keen interest in the IT industry, I look forward to the features published in Digital Age. Software programming has been my area of interest. The articles on the various training institutes published in Digital Age therefore are very useful.

Vikram Singh, Indore

The varying sales tax has been a major hurdle for the dealer community. It is time that organizations such as Mumbai-based Traders Association of Information Technology and Delhi-based Manufacturers Association of Information Technology gear up and ensure that a uniform sales tax is maintained throughout the country.

Rajesh Goel, Mumbai

