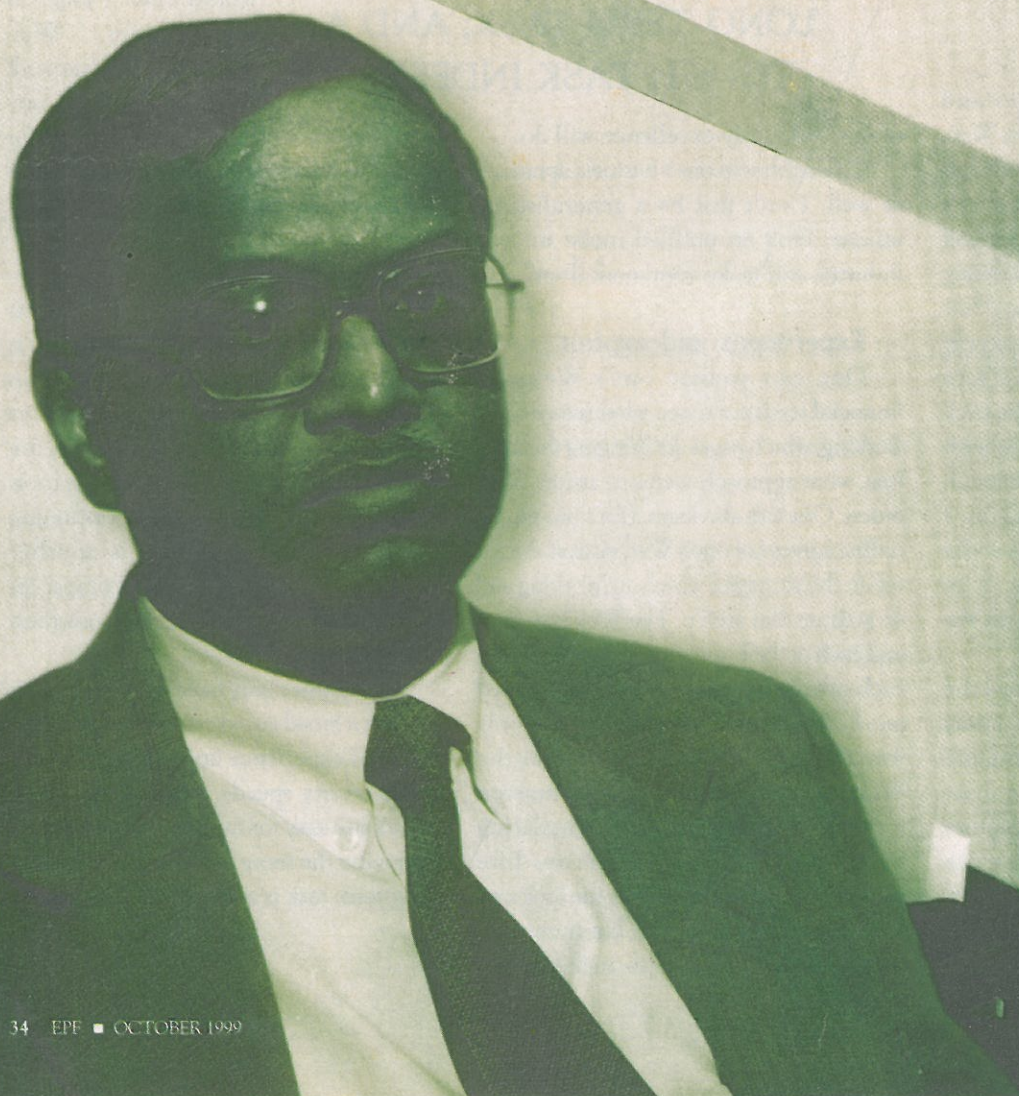# Man
with a Miss

N. R. Narayana Murthy is a symbol of India's software triumph. A self made man and a great visionary he has been the spearhead of India's efforts to be a global superpower. He has been most aptly named the Electronics Man of the Year for his services not only in the development of IT but the entire electronic industry in the country

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G P Vinaybabu

on

The transformation from a staunch socialist to one of the best known industrialists in the country is a story of sheer grit and determination driven by intellect and values for N R Narayana Murthy, the founder of Infosys Technologies Limited. N R Narayana Murthy or NRN as he is popularly called was just another middle class Indian trying to make his way up the job ladder through hard work and innate intellect when enlightenment struck him. Until then, he was content doing odd jobs in far away countries around the world. All along he was committed to the leftist principles and was yearning to make his contribution to the ideological struggle. A dramatic change of mind in 1974 made NRN quit his job at a French computer company, and was on his way back home when he was halted midway by suspecting Bulgarian Police. The Bulgarian authorities didn't trust NRN, despite his socialist leanings and kept him in jail on charges of spying for close to 3 days. This was a turning point in NRN's life as far as leftist attachments were concerned.

Not only did this incident free him of his socialist affinities but also made him realise that wealth creation was not a sin. In 1981 he founded Infosys Technologies Limited and set out to create wealth out of intellect for his country. Infosys adopted a whole new business approach modeled on American business practices, right from the beginning. It provided its employees with a new working environment complete with recreational facilities, cafeteria and library. Things like stock options for employees and announcement of quarterly results were all new to Indian industry. But the move to create wealth was never indiscriminate. As NRN himself says, 'Infosys wants to create wealth legally and ethically and believes a good night's sleep is worth a billion dollars. The founders want to share wealth with employees since they believe

N R Narayana Murthy

Chairman and Chief Executive Officer

Infosys Technologies Limited

Age : 53 years

Education : Bachelor of Electrical Engineering (B.E.) from University of Mysore

Master of Technology (M.Tech.) from the Indian Institute of Technology (IIT), Kanpur

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that a small percentage of a growing pie is better than a large part of a shrinking pie.'

But the path was not rosy. Like him, the Government of India in those days was socialist in thinking and discouraged foreign participation in the Indian industry. Under this protectionist regime, it was a hard struggle for NRN and his friends to make the government see its point of view. Money was spent on public sector enterprises while private enterprises were never considered capable of making it big. The attitude towards private sector bordered around confrontationism. Before 1991, the government controlled which companies could go public on the Indian stock exchange as well. Foreign institutional investors were not allowed to invest in India, and businesses were often owned and controlled by large families. Infosys obviously was much ahead of the government in its understanding of the future. It wanted global recognition for its products and was never afraid of pitting itself against the best in the world. Government of India finally saw truth in Infosys' cry for global acceptance. In 1991, first seeds of

INFOSYS' UNQUENCHING THIRST TO MAKE IT BIG AT THE INTERNATIONAL ARENA RECEIVED A FURTHER IMPETUS, DUE TO LIBERALISATION OF THE INDIAN ECONOMY.

liberalisation were sown and very soon positive economic growth trends were seen. By this time Infosys had already made a name for itself and the government's liberalised policies only helped the consolidation of its position.

Infosys' unquenching thirst to make it big at the international arena received a further impetus, due to liberalisation of the Indian economy. But that was just the first

'We Want To Be A Globally Successful Software Corporation'

Infosys Corporation has been India's most prominent face in the global software arena. Founded in 1981 by N.R. Narayan Murthy and his friends, Infosys has been growing from strength to strength providing highest return on investment for its investors and value for its customers. Recently it also became the first Indian Company to be listed on Nasdaq. What is the secret behind Infosys' success? N R Narayan Murthy in an interview explains.

What would you attribute your success to or what is your management philosophy?

There are several beliefs behind the progress of Infosys. We want to create wealth legally and ethically; we believe a good night's sleep is worth a billion dollars. The founders want to share wealth with employees since they believe that a small percentage of a growing pie is better than a large part of shrinking pie. Professionalism in the conduct of business has been made possible since every Infosys promoter believes in separating manage-ment from control, and in putting public-good ahead of private-good.

The senior exe-cutives believe we are trustees of our shareholders and manage the company with a high level of transparency and integrity. We do it all for a very selfish reason — that is, Infoscions know they will be better off this way than the old fashioned way. That is, indeed the

message of Infosys.

How did the idea of Infosys first hit the surface and how did it develop further

We started Infosys in my apartment at Pune. We decided, right from the beginning, that export would be our thrust. There were two reasons for this. First, there was no market for our expertise in India. Second, I believe India has to succeed in export to be self-reliant. I define self-reliance as the ability of a nation to recognize and leverage its competitive advantages to earn enough global currency to import the best product from

Footprints on the sands of time

N R Narayana Murthy

Achievements
- He designed and implemented the country's first BASIC interpreter and the country's first time sharing operating system.
- He was also a member of the operating system team that designed a 400 terminal, real time operating system for handling air cargo for Charles de Gaulle airport, Paris.
- Founded Infosys in: 1981 (along with six other software professionals)

Honours and Awards
- Voted "IT Man of the Year" in 1996
- Awarded the JRD Tata Corporate Leadership Award for 1996-97
- Recipient of the Rastrabhushan award from the FIE Foundation for the year 1997.
- Awarded the Electronic Man of the Year for 98-99 by ELCINA

the global market.

How would you sum up Infosys Technologies approach — what is its driving force?

Our objective is to maximize

shareholder value while maintaining fairness to our customers, employees, vendor-partners, the Government of the land, and the communities in which we operate. Infoscions, as Infosys people are called, have high learnability, and they innovate constantly to satisfy our customers. They exude energy, enthusiasm, and excellence. At Infosys, there is an element of competition in everything we do, but respect for the individual is foremost. Confidence is high. The Infosys value system can be summed up in one sentence as "The softest pillow is a clear conscience".

Taking the industry as a whole, what would you say to those who, while acknowledging the talent and quality, still identify low costs and low labor rates as the primary attraction?

What we have done is to ensure that we are world-class in terms of productivity and quality. Then we use cost as an advantage. The customer is happy because they are getting better value for money from us than from our competitors outside India.

Infosys has always focused on foreign business. But now you are poised to become a real global company with worldwide clients, operations and brand equity, and recognition - probably the first Indian Company to achieve that. What will make Infosys successful in that aim?

A notable factor about Infosys is that we have youth, speed and imagination and we are constantly innovating in every area of our operation. We were India's first Software Company to conceptualize, articulate, and implement the offshore software development concept. Infosys was among the first Indian software companies to be assessed at Level 4 of the Capability Maturity Model of Software Engineering Institute (SEI), and to obtain company-wide immediate certification for ISO 9001. We were the first Indian company to institute employee stock option plans to attract and retain high-quality talent in the company. We were also the first Indian company to produce US GAAP-compliant balance sheet and statements as far back as 1995, and the first to produce quarterly audited financial statements. In fact, last year we became the first company in the world to produce our balance sheets complying with the GAAP of all G7 states, because we have customers and investors in these countries. Finally, we are the first India-registered Company to get listed on Nasdaq.

What prospects do you find the most exciting and stimulating - both as a company and personally?

Globalization. For example, producing where it is most cost-effective and efficient, and selling where it is most profitable without worrying about national boundaries. Thanks to advances in technology, telecom and data communi-cations, and World Trade Organization initiatives, I think true globalization has come in - and Indians who have consi-derable expertise in the area of software services can receive their legitimate share of the market.

We now have an opportunity to benchmark ourselves on a global scale, compete with the best companies in the world, and add value to our customers in the most competitive market place. The fact that the Internet and e-commerce is making a big entry at this time is exciting. That is an area where Indian companies in general, and Infosys in particular, will have considerable opportunity to show strength. Our vision is to be a globally respected software corporation, providing the best complete solutions to our customers, employing excellent professionals, and creating wealth for our investors.

step. To be a true global player it had to have a presence in one of the international stock exchanges and had to trade in the international markets. Infosys rightly chose Nasdaq, the largest stock exchange in the US to get itself listed in March this year. A Nasdaq listing would help Infosys in a number of ways. First, it would enable the company to raise capital. Second, it could attract the best talent in the world by providing valuable stock options.

Infosys has also become a symbol of the growing power of information technology in India, one of the fastest-

INFOSYS HAS ALSO BECOME A SYMBOL OF THE GROWING POWER OF INFORMATION TECHNOLOGY IN INDIA, ONE OF THE FASTEST-GROWING SECTORS OF THE INDIAN ECONOMY.

growing sectors of the Indian economy. Software export sales have grown 700% over the past five years to $3 billion in 1998-99. By 2008, IT in India is expected to be a $100 billion industry, with a significant portion driven by entrepreneurs, according to Walden International Investment Group.

Infosys as a company is driven not just by a desire to make money but to make India a software super power. Says NRN 'We are not going to sleep until we have 1,000 millionaires'. On the other hand, NRN, inspite of the name, fame and money is still a socialist by heart. He dresses up in simple attire; drives locally made cars and lives in an average three-bedroom house. Infosys is also serving social causes like health and educational development in India. NRN's achievements are definitely a great inspiration for all aspiring youngsters.

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