

BY SANDEEP MUKHERJEE ('95 PHY MECH) AND ANURADHA GUPTA ('86 MMS)

# IN CONVERSATION WITH VIVEK PAUL

Mr Paul is the Managing Director at the Texas Pacific Group Ventures. Here he shares his views on a broad range of business and social issues and on what the Alumni Association needs to be doing going forward.

**Sandpaper: How was the BITS experience for you? Were you an outstanding student? Could you please share with us some of your good, bad and more fun memories of BITS?**

**Vivek Paul:** So, you know, I really feel somewhat ancient at this point because BITS when I attended was quite different from the BITS I saw when I went back there when I was on the senate couple of years ago.

First, I'd say that the fondest memories that I have of BITS are the friendships that I made there that last till today and that are so strong that, literally, even today, I meet some of my fellow BITSians at least once a week that is something that has been a lasting legacy for me.

Second, I think that the rigor and discipline of the curriculum at BITS is something that really prepares you well for the world. I'm sure that I'm not the first one saying this but I think that the education that you get at BITS is incredibly valuable.

And, I'd say that probably the third and last thing in terms of what you take away from BITS is that BITS was one of the few places where not only did you learn a lot of the analytical concepts and tools but BITS was excellent for teaching you social skills as well. I mean here you were, locked away in the middle of desert and you pretty much

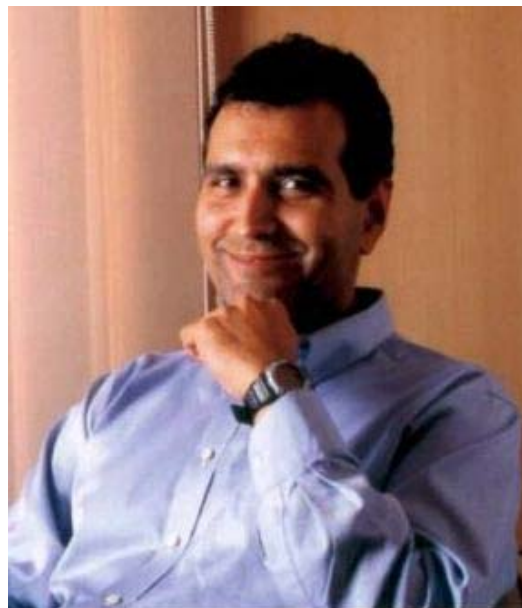
had only each other to keep yourselves occupied and entertained. These social skills were actually quite valuable. Not that you can draw to much of an extrapolation, but I see a lot of BITSians being successful in multiple walks of life, which is unusual for many universities, particularly engineering-oriented universities.

In terms of my own self, I did a little bit of everything. On the academic front, I was a proud Ten Pointer in the first year so I did really well on the grade side. I also partook in extracurricular activities – I was captain of the water polo team, acting captain of swimming team, took part of the drama club. So a lot of different activities, you know, we had a lot of time there.

**Sandpaper: You mentioned that one of your fondest memories was that of the people that you met and the friendships that you made. Now, has your rock-star status in the business world changed some of those relationships in anyway?**

**Vivek Paul:** You know I have been very fortunate that my

friends are such that they do not



**Image Source: The Wharton School, University of Pennsylvania**  
(<http://leadership.wharton.upenn.edu/>)

view me though any other lens except me as an individual. When you become externally well known there begins to creep a gap between the person and the persona and I think that they see right through the persona and see the person, which for me is very comforting.

**Sandpaper: When you went back to BITS, how different did you find it between then and now?**

**Vivek Paul:** I would say that physically it was somewhat depressing. First, it looked almost exactly the same. Secondly, actually, it looked

## Business & Strategy

somewhat worse because I remember it being more open and now I saw that everything was kind of barred in and it looked much more concentration-campish! It being very open earlier. Lastly, I was just stunned to see that the classrooms were the same old up-and-down chalkboards in today's world. On the infrastructure side, it was depressingly similar.

On the population side, it appeared to be much more co-ed that it had been in my time when there were practically no women and only guys.

And, at the same, I thought that when I was there I saw a pretty good cross section of people from all over India. In fact, that was one of the lessons that as a young student when you joined a college you were only used to the people that had grown up around you and here you could be exposed to everybody. I was quite surprised to find that the statistics are such that over 90% of the admissions into Pilani over the last few years have been from two states in India. That's not to say that there's any malfeasance or anything but just that that's the way it works out according to a well-defined admissions process. Still I was surprised to find that, on the plus side, you find a more co-ed community and, on the minus

side, it seemed to be too heavily skewed towards one part of India.

Lastly, the thing that I found really comforting is that it continued to retain the emphasis on educational excellence and there seemed to be an expansion in the curriculum in terms of the degrees and courses that students could study.

**Sandpaper: How are you personally planning to help BITS get even better as an institution? Would you consider returning to Pilani to teach etc?**

**Vivek Paul:** So, actually, my returning to Pilani to teach may actually not be a net plus for them! The best way to answer that is to point to the things that I've already done, which include BITSConnect. I was a part of the core team and was part of the initial conversations that kicked the project off when the Director of BITS visited Silicon Valley and met with a group of us. I helped both in terms of helping galvanizing people from Silicon Valley as well as from a Wipro side where we provided a lot of the system integration and ongoing maintenance and, as an individual, helping with some of the fundraising. For example, I went to Mumbai to meet with a lot of alumni to be able to raise funding for the program.

As for now, there is an effort to create an entrepreneurial theme in BITS Alumni Assoc and I have agreed to help with that as well.

**“...the alumni association is doing many things that are in the category of improvement but the alumni association ought to pick one or two things that with which they can really make a difference.”**

**Sandpaper: You have been quoted in the past as saying “All progress owes itself to the demands of the unreasonable man”. What unreasonable demands do you think the administration of BITS or the alumni association needs to make of itself to help BITS become even better?**

**Vivek Paul:** I think that the alumni association is doing many things that are in the category of improvement but the



Vivek Paul is a Managing Director at the Texas Pacific Group. His sectors include Consumer, Information Technology and Life Sciences. Source: <http://www.tpgvc.com/>

alumni association ought to pick one or two things that with which they can really make a difference. Whether that be on the infrastructure side, for example, if infrastructure's a really issue and if the problem is that BITS Pilani has insufficient funds then are there opportunities for BITS to raise more funds externally. So, for example, like we have in the United States – and that's not the say the model in the US is necessarily right – could we get one of the really successful BITS alumni to donate to the BITS Foundation to create a building, a library or a wing that's named after them. All those ideas have been shot down. As BITSAA, we have to think through where we can make a measurable, significant impact on the university.

Second, there's a lot of activity going on in the alumni association that is focused on making a difference for the group that we all represent – the alumni community. There I'm seeing some interesting moves such as entrepreneurship and mentorship programs. Still BITSAA is only scratching the surface of what we could do.

**Sandpaper: Vivek, our upcoming Sandpaper issue is going to feature outstanding BITSian women – you have worked in the technology industry and you have studied in an institute, in BITS with women in this field. Larry Summers of Harvard started this whole controversy about women in technology/math/science etc. and he has resigned as of yesterday, what are your views on the subject. We're certainly not trying to elicit**

**a resignation from you from TPG Ventures!**

**Vivek Paul:** Yeah, I was going to say that this sounds like a trap! About a year and half ago *DataQuest* launched their list of *Top 10 Most Powerful Women in Indian IT* and I was thrilled that at one point or another three of them had worked for me.

**Sandpaper: You were among CNN Time's 25 Global Business Influentials, among Business Week's World's Best Managers and have received several other accolades. Has any one of these been special to you?**

**Vivek Paul:** I have to admit that the accolades are appreciated but I don't think a lot about them. For two reasons. First, I've always believed that those accolades do not belong to me as an individual but to the whole team that I'm working with. After all, no man is an island and we all work as a team. Second, anytime that you spend too much time looking backwards you lose the ability to go forward. Anytime that I make a career move going from leading luminary in the Indian IT field to being a rookie in the VC space, those are things you can't do if you focus too much on accomplishments in the past. My view is that the journey is far from over.

**Sandpaper: You have re-invented yourself several times over the course of your career. If you were starting your career as a new graduate, what would you do differently?**

**“...about a year and half ago**

***DataQuest* launched their list of Top 10 Most Powerful Women in Indian IT and I was thrilled that at one point or another three of them had worked for me.”**

**Vivek Paul:** I'd say that when I graduated from BITS Pilani and applied to grad school. I had two options. I got into, except for one university, every school I applied to because, as I mentioned earlier I did very well in college academically as well as on my admission test. So, I could either go to a top tier business school and pay my way through or, I could attend what was not at the time a top tier school at the time, UMass Amherst, on a full scholarship. I opted for the latter because I didn't want to take a big loan particularly coming out of India and having no money. Having gone down that path, you realize that being in the company of people who challenge you more than others is of incredible value and the alumni network is really valuable as well. Other than that, I got a lot out of my education at UMass Amherst. Every job that I had I ended up working in the company of really smart people. They always bring out the best in you.

**Sandpaper: How do you manage a work-personal life balance?**

Not very well! I end up working a lot so I always feel like I wish I had more time to devote to pursuits outside work. But part of the effect of putting myself in a drivers seat in terms of my

own career and making the moves and shifts that I did has meant has been that I've always done stuff that I really enjoyed and when you enjoy it, it doesn't feel like work. With the limited time I get for leisure I enjoy spending time with my family, enjoy playing bridge and I love to read.

**Sandpaper: What do you like to read to keep yourself abreast of changes in the business world? What books, magazines, periodicals etc?**

**Vivek Paul:** I do read a lot. I read about a book every ten days. I do try to stay current with what's going. I read largely non-fiction but some fiction too. Everything from a comment at Davos on what Bill Gates said about drinking the bottomless well to a book a friend may recommend that was phenomenal on a particular topic. I also go to very focused industry conferences to learn about the latest thinking. I also flip through a lot of magazines. I guess flying a lot does give you the time to do that. But I'm not a big magazine or newspaper reader.

**Sandpaper: What about writing a book yourself? Have you considered going down this path – on the lines of Lou Gerstner's "Who says elephants can't dance" and Jack Welch's "Winning"?**

**Vivek Paul:** I actually received an offer from one of the publishing houses to write a book. I decided against it for two reasons. First, to me writing a book would again make me feel like my story is done and I don't feel that way. Second, on a

pure cost benefit analysis, in terms of the time it takes to write a good book and what you get in return is actually not commensurate with the effort entailed.

**Sandpaper: It sounds like we'll have to wait several more years to sample your reading then! On a different theme, what's your new role like – more venture or more buyouts?**

**Vivek Paul:** I now have a foot on each side. Part of the appeal of joining the Texas Pacific Group is that I could do both – venture capital as well as buyouts.

Today, 60% of my time is spent on venture capital and I do spend 40% on the buyouts side. On the buyouts side, I focus very specifically on either industries that I can contribute a lot to just or on India. If I could help one more Indian industry step out on to the world stage, I would feel quite fulfilled.

**Sandpaper: You have a broad brief at TPG that includes life sciences companies, technology companies etc. What do you enjoy most at TPG?**

**Vivek Paul:** I love the intellectual challenge of addressing multiple issues instead of going deep on the single thing I was doing at Wipro. Second is the ability to think through the whole notion of how do you scale and deal with the issues of success. Management teams often think of the issues of failure and not about those associated with success. Lastly, as I mentioned earlier, I continue to look at India through both a venture and

a private equity lens, and enjoy continuing to contribute.

**Sandpaper: How do you see the VCPE sectors and others evolving in the Indian economy?**

**Vivek Paul:** I think that Indian industry on every front is doing well. In some sense the Indian consumption engine was always bottled up and now we're seeing this engine kick into gear and it's creating all kinds of employment, business growth... sort of a nice virtuous cycle. I think that the Indian economy is on a secular, multi-decade rise.

**"If I could help one more Indian industry step out on to the world stage, I would feel quite fulfilled."**

Having said that, it's still highly regulated and it poses more risk for the country. For example, I look at the restriction from foreign capital in several sectors yet India is way behind China in terms of foreign capital.

I got an email from one of the newspapers asking me write on the budget. My standard line on this subject is that as long as the budget has any significance for the Indian economy that means that it's an over-regulated economy. So the day people stop asking me to write about the budget will be the day that we'll have a true deregulated economy.

We've made progress and that's comforting against where we were before. However, that doesn't mean we're where we need to be by far.

When India chose the path of socialism there was a lot of thought process and training that was grounded in and, frankly, the new generation is resisting. The new generation says Gandhi is not my idol. This may sound heretical, but that is what it is. This whole notion of austerity is yesterday's generation. I want and I want now. You meet kids who say that my parents wanted an apartment when they retired. These kids want an apartment the day they start work and that's why the Indian retail consumer finance sector is booming. With 55% of the population being less than 25 years old, the political might that this group will have is only going to rise. From that front, I think the politics will change and you will see people have different views on the importance of economic growth versus socialistic ideals, which haven't given much elsewhere in the world.

**Sandeep: You once wrote, "Always take your job seriously, but never take yourself seriously". We often hear of Vivek Paul the CEO, the venture capitalist etc. Tell us about some instances where you've found yourself laughing at yourself?**

**"I remember, one guy got up and said, 'I think that your idea is stupid, stupid, stupid!'"**

**Vivek Paul:** There have been many incidents... I'll give you one example. At Wipro, one of the things that I wanted to tackle upfront was the notion of scalability in the services sector.

I felt that this would otherwise kill us because we wanted to grow that business. So I wanted to do was remove multiple quality management systems and create a single, online quality management system that would scale dramatically. That sounds evident but it didn't turn out to be that way because people do certain things for a certain reason. Several systems had grown up in the company and everybody felt that their system was the best and the only one. I remember getting all the quality gurus in a conference room and telling them, OK people, we are going to kill all the quality management systems and merge them into one. I remember, one guy got up and said "I think that your idea is stupid, stupid stupid!" As the CEO, I could have reacted in many ways. But, I said, that if you feel so strongly, I'll take another look and see if I share the passion that you have about keeping the multiple systems but if not I'll go ahead anyways. I did go back, rethink, but decided to proceed with the single system option.

Today, that guy is one of the top quality gurus in Wipro. The fact that he was as outspoken as he was didn't in any way affect his career. And, to me, what that example brings out is the importance of creating a culture where they can speak up and not be in awe of you and, two, when people do speak up – even as tactlessly as he did, for there are certainly better ways to express the point – that it's not something that is career-limiting.

**Sandeep: Has it helped or hindered you in your career being an Indian? Especially given that, some of the sectors you have**

**worked in are reputed to be elitist.**

**Vivek Paul:** I have to say that being an Indian has hindered me in some instances but that hindrance turned out to be a great benefit in the end. Because there are instances where people did not do what was right, what they should have done, but that only made me stronger. It made me stronger in two ways. One is it made me more confident and I'll explain how. Second is that it got me away from situations where I shouldn't have been in.

One situation I can remember is when I was in consulting and the client was a complete bigot and ultimately he is still where is and I am gone and had I stayed on and continued fighting it I would have been limiting myself.

**"...being an Indian has hindered me in some instances but that hindrance turned out to be a great benefit in the end... However, today, being an Indian, people almost expect too much from you."**

Another example in terms of how you grow stronger... let me use another example from my consulting days. I am a vegetarian, have been since I was born. I remember that I used to sort of go out to lunch and dinner with a client and find out that there were very few options for me. There were some people who would say "Oh, I hope you don't mind" and I decided to be

very upfront and asked them to choose a restaurant where I could have some menu options. I would have my secretary call ahead of meetings to see if they had vegetarian options. If the restaurant didn't, I would simply ask for a different venue.

It's amazing that people do not have the confidence to do that and, done right, it's a source of strength, not a weakness.

I think that being an Indian for some time and in certain situations was a hurdle. However, today, being an Indian, people almost expect too much from you.

**Sandpaper: Many CEOs seem to be moving from publicly traded companies to privately held ones. Do you think that Sarbanes Oxley and the regulatory environment have had an inadvertent effect on the level of executive talent at public companies?**

**Vivek Paul:** I think it is more interesting if you are a successful, competent CEO to do the same work in a private setting than to do it in a public setting. This is so because in a public setting, you both lack the benefit on the upside with options expensing and with Sarbanes Oxley the risks you take in terms of venturing a few place well-placed bets are higher. Whereas in private equity we encourage people to be as successful as they can be and worry about economic outcomes and not about reported quarterly earnings. So if you're smart a CEO you ask yourself that if you have more risk and less return in a public than in a private setting and if you're confident about producing

results why should you not move to the private sector.

**“When things don't work out the way you want I think you get a higher degree of resilience as you go along in life.”**

**Sandpaper: How have you found yourself changing in terms of the person that you are?**

**Vivek Paul:** I would say that it's not just the school of hard knocks as well as the aging process that makes you realize, over time, that group success is more valuable than individual success. And sometimes you have to be a little bit patient but you never want to lose your ability to lose your impatience otherwise you tend to become complacent. So while your balanced shifts a little bit but you still need to retain this sense of balance.

When things don't work out the way you want I think you get a higher degree of resilience as you go along in life. So you know that it could be a temporary setback and things will get better as you go along or, that there are four or five things you could do to address the situation and so you take it calmly.

**Sandpaper: A lot of people take their career to a certain point and then follow their dreams – maybe in an entirely different direction – do you plan to do anything of this**

**sort or is your career itself your dream.**

**Vivek Paul:** I think that what I've tried to do my entire career is keep my eye on what I want to get out of a job for myself in the sense of how has this added to my capability set and made me stronger and what do I have to do to earn my right for that job/business. As a result, I feel like I have had the ability to be very dispassionate about where I am in any particular job, which is why I have been able to make moves that were not necessarily intuitive at that time but, over the course, have turned out to be the right ones. And I still think that one more career left in me and that's the advantage of living in today's world where working lives are very long and the next career not to be unfolded for the next decade, after that, I would like to be doing something on the social contribution side.

**Sandpaper: So we don't see you ever retiring.**

**Vivek Paul:** Retiring means one of two things. One, that you cease to do economic activity. In this sense, I will someday retire. Two, you cease to do any meaningful activity! I hope that the latter never applies to nobody.

**Sandpaper: Any closing thoughts for BITSians?**

**Vivek Paul:** To me BITSians can be an incredible force due to the combination of the right brain and the left brain and whatever we can do to make a material change to the campus we left behind and to the community of alumni, the better off we are. So the more the better.

