

IMPROVISING LEADERSHIP IS THE ‘NEW’ NORMAL

This will take some time to sink in! Thank you, President Kathy, for that wonderful introduction. I would also like to thank the Board of Trustees, eminent faculty members and the provost for bestowing me with the honor to deliver this year’s commencement address. My heartiest congratulations to the class of 2031. All your hard work, especially sitting through classes of econometrics and psychology have finally paid off! And for that and everything else, you, your parents, your friends and all your loved ones deserve the biggest round of applause.

Graduation day is a day of celebration and it ought to be. It marks the end of the most difficult phase of your life. From here on, things only become simple for they will no longer be black or white anymore. Until now, you were evaluated periodically in semester exams, quizzes and projects by faculty members. Tomorrow onwards, there will be no ‘surprise’ element left as you will be judged daily by plain folks! You will no longer be able to bank on your course books, professors or even Google anymore for the right answers because there will be none! After a while, the label of Northwestern University Graduate will start waning and get replaced with adjectives – smart / mercurial / genius / dull-witted / empathetic / spineless / imprudent and so on. Irrespective of whether you scored an A+ or C- in Essentials of leadership 101, when the time comes, believe you me, you will not remember anything. You are now all like the Hindu mythological warrior *Karna* in the Indian epic, *Mahabharata*. The legend goes that he was cursed by his teacher, *lord Parshuram* that he would forget all his knowledge when he would need it the most.

The good news is that you officially enter, what I like to call, as the age of “Adult Toddlerhood”. Toddlers primarily rely on their senses and don’t like to use their brains excessively. Remember, when everything you saw excited you? Or when your dad’s animated voice-over was the funniest thing you heard? Cheap plastic toys would give you the ultimate joy of touch and every edible and non-edible item would go straight in your mouth. Somewhere down the line, we all changed. We let our brains dictate to us what is worth watching and what is not? It dawned upon us that our dads are no longer funny. We learnt to distinguish between boring broccoli and tempting junk food. More importantly, we allowed outside distractions and subjective interpretations of our brain to distort sensory information. A toddler is unbiased, empathetic, loyal, open-minded, honest and above all, a great listener. In nutshell, a 3-year-old has all the traits of a great leader.

And with that my friends, we just solved one of humankind's greatest mystery – are leaders born or made? However, you will not let a toddler handle your IPO or lead your country. And rightfully so. 20 odd years of education helps us internalize knowledge and expand our horizons. That is where we earn our edge over kids. We learn to 'think'. And the day we learn to master our thought process to guide our senses without prejudice, is the day we set ourselves apart from the crowd and earn the chance to deliver a commencement speech!

I admit that was not a great joke. The moot point, however, is that as you start the next phase of your life, take a leaf out of a toddler's book to be present in the moment and follow your intuitive nature. And then revisit your education to get selective about your choices. You must chase success your way. The outside world does not offer many chances for CTRL+C and CTRL+V. Each one of you is destined to chart a unique leadership journey. A lot has been done before you and a lot remain to be done. I look upon you and see the next set of ruckus makers in the field of Marketing, finance, sustainable energy, cryptocurrency, public policy and healthcare. No one enjoys the status quo for long. Unless you positively challenge the system, nothing new is ever going to happen. Things change for good when someone with tenacity asks the right questions at the right time and is willing to back it up with action.

On that note, let us test the significance of my null hypothesis.

Earlier today, a proud father shook my hand and called me an "Effective leader" – comparing me with the likes of Steve Jobs and Phil Jackson. His parting words were that he would be keen to hear my leadership mantra. I can only deduce that effective leaders are essentially 'thinkers' who chose to focus on opportunities and not problems. They may not always have the luxury of data, case studies or precedents, but they are also not blinded by mere intuition. Indeed, the ubiquitous iPhone was not a product of years of consumer research. However, Steve Jobs had exercised critical thinking to ensure he didn't build an 'iPod phone'. Instead, he chose to take inspiration from their infamous flop project, Newton to bring out a touchscreen phone which was easy to handle and served the primary purpose of making a call! Jobs' reflective skepticism ushered a new era in telecom hardware which continues to run strong to this day with iPhone XXI.

On similar lines, Chicago Bull's legendary 6 NBA wins in 8 years in the '90s was not a result of Michael Jordan's freakish talent alone. He was notching up MVPs and record endorsement deals

even before Phil Jackson took over as the Head Coach. Phil intuitively chose to go with decades-old “triangle offense” strategy to subvert the opposition plan to solely target Jordan. However, in his typical Zen leadership style, he critically armed the triangle with an unparalleled no-ego, high trust and shared leadership culture to make the most of his team’s raw talent. People still reminisce about controversies and locker room gossips surrounding Jordan, Horace Grant, Scottie Pippen, Toni Kukoč and Dennis Rodman but when they were all on court, they created magic (and history)!

When you carry a hammer, everything appears as a nail. What separates grain from the chaff is the ability to drop the hammer and pick up a screwdriver occasionally. I understand intuition is the ‘in-thing’ these days. Both media and investors place huge premiums on the maverick founders who are intuitive. It’s amazing how both Silicon Valley and Netflix are replete with ‘boom-or-bust’ stories of tech start-ups who chose to live by the sword and die by the sword. In my opinion, mere confidence in your intuition does not take you places. Effective leaders are invariably counter-intuitive, who prefer to weigh their hypothesis within the realms of critical thinking, strategic thinking and creative thinking. Once they find the sweet spot, they proceed with decisive action and not waste time in crystal gazing.

20 years ago, Stephen Colbert addressed our graduating batch where he remarked, *“Life is an improvisation. You have no idea what's going to happen next and you are mostly just making things up as you go along.”* Call it my confirmation bias or counterfactual thinking, but I see those words ring true in everything that has transpired in my life. After my MBA here at Kellogg’s, I chose to return to India to start my own Microfinance company. Even before I set foot in Delhi, I thought I had it all figured out. I had the backing of investors. Young B-School graduates in India were lining up to join my ‘new-age’ fintech start-up. I was hoping to do my idol, Jack Welch proud by deploying his *dog-eat-dog* strategy to instill a little spirit of competition amongst ‘illiterate’ farmers by playing them against each other. The next 10 years, as it turned out, were the most humbling yet enriching experience of my life. It also sobered me with the grand realization that success is easier to imagine than failure!

Every management and leadership principle I learned here was shredded to pieces in the rural hinterland of India. Amidst mounting losses and investor discontent, I was this close to shutting shop in early 2020 when the ultimate black swan event, COVID-19 happened.

As initial lockdowns started across India to contain the spread of the COVID pandemic, all economic activity came to a grinding halt. Millions of daily wage earners in Delhi, Mumbai, Bengaluru found themselves out of job and what followed next was a desperate act of reverse migration from cities to villages. The fortunate ones went back in cramped buses and special trains while others had to walk or cycle thousands of miles to reach their native places. The biggest humanitarian crisis in Indian modern history presented me with my biggest opportunity to improvise! Armed with years of training in failure, I put in motion a series of incremental tweaks to my business model. First came commodity-specific regional agricultural cooperatives, then land pooling for export clusters, branding under JVIKA (means livelihood in Hindi) to finally metamorphosing into the world's largest online market place for agri-products.

In India, we are expected to work through emotions. We prefer to run a sick public enterprise for the sole purpose of keeping jobs alive. Private enterprises are viewed mostly as 'evil' bourgeoisie who exploit worker class. Leaders in the east are mythical figures which transcend generations. Ask any politician, businessmen, movie star or even sportsperson, nepotism is widely accepted as a logical succession planning. One may argue that it happens in the west also, but the diligence we attach to the conjoint model of agency ensures that we have enslaved ourselves forever to paternalistic leadership. To top it, working with farmers, daily wage workers, livestock herders is more about navigating emotional landmines. This is not an audience that is generally receptive to new ideas. Nor are they exactly amenable to new faces. Years of socialist utopia can incapacitate your willingness to make money. And to make matters worse, management principles in the west are not exactly written keeping in mind this clientele. So, what do we do?

We IMPROVISE!

In my biography, "Landing in DIRT", I start with the vision statement of JVIKA - "*Nothing comes to those who fear DIRT...in field or life.*" It's true both literally and metaphorically.

The DIRT abbreviation stands for DREAM, INNOVATION, RESILIENCE & TRUST.

There's a legendary song from the 1967 Hindi movie, UPKAAR whose lyrics go as follows, "*The land of my country grows gold, diamond and pearls.*" My dad always sang that song when I was a young boy. We never saw any diamond in our house. For if we did, my father wouldn't have to

end his life for being unable to pay 36% interest to a moneylender. Ironically, I bought my first car in the US at 3.24% APR.

I am and will always be a farmer's son. And I dreamt that no kid would have to lose his father again for lack of easy credit. They say you serve what you love. Dreams should be audacious else motivation is not strong. My obsession with the idea of a credit cooperative where farmers could reap riches from the free market dynamics was almost pathological. Even as a student, I participated in every possible B-Plan competition; earning myself the moniker of "Gandhian Sucker" as I always lost. And I kept losing for next 10 years because I looked upon my target consumer group as nothing more than a mere number. I wanted to play a new game with old rules. I missed empathy and was ignoring my senses in favor of my academic biases. I was so naïve that in my quest to chase the endgame, I stopped solving the problem while I was building.

"Because the purpose of business is to create a customer, the business enterprise has two--and only two--basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs." Peter Drucker said that. However, it has largely remained ignored in India. Farmers were comfortable trading their produce for peanuts under archaic agricultural laws only to see local brokers corner fat sums. No Indian farmer had ever heard of investing money in equities; leave aside ESOPs. Bank fixed deposits with yield as low as 6% have remained their mainstay since Indian Independence. We listed at 40 cents in 2025 and dropped to 10 cents within first month as markets were not convinced of an Indian cooperative branding its produce for sale in international markets. Several left-wing outfits in India had a gala time making a bonfire out of a rag-tag doll with my photo pasted on its face. A leading business magazine wrote a fixture on me with the title, "India's Bernie Madoff". As of today morning, we now command a market capitalization of \$ 1 trillion!

Resilience is in the DNA of an organization. There's a reason we still have a Google despite a dotcom bust, a General Motors despite the 2008 financial crisis and a Marriott despite the COVID-19 pandemic. Amazingly, the likes of IBM, Volkswagen, Nestlé have not only managed to stay relevant but grow into global behemoths over the past century. Everybody does well when times are good. The question is can you use adversity to your advantage and thrive in a 'new' normal? Resilient businesses are fast becoming a scarce commodity. Given the times we live in, everyone should ask themselves one basic question *"What is it that can make our jobs redundant or put us*

out of business for good?" Once you have objectively answered that question, you would realize that you have managed to build a business that can last decades or as Jack Ma would love to have it, for 102 years! In my case, I have seen village incomes getting wiped out due to bird flu, markets slapping non-tariff barriers on Indian agri-products, a pandemic and 2 capital market crashes.

TRUST is the last and most important leg of my "DIRT" leadership hack.

Trust is a very fuzzy concept. We keep using it in our daily lexicon whether we are in the corporate world, in sports or politics but I'm not sure if we have grasped the true meaning of the word. To be honest, I didn't for a better part of my life. Until one fine day a cattle owner vividly explained it. In his words, *"Trust is when a dad tells his daughter that he will never let anything bad happen to her. If you could build that with us, you will never have to convince us ever for anything."* Being a father to a wonderful daughter, his words just stuck with me. How pure and non-transactional is the relationship between a father and daughter? If only we could harbor a similar relationship with our team, our investors and above all, our customers. There is an African proverb, *"If you want to go fast, go alone. If you want to go far, go together."* Engendering trust is a 2-way street. You got to have the skills first and then back it up with actions. When you keep doing it without fail, the endgame is a high-trust culture.

A leader is expected to be an effective decision-maker and always be successful. Second is mostly the outcome of the first although the corollary may not hold. No matter how materialistic it may sound, success is the most important determinant for a leader. Nobody follows or respects a leader who is not successful. I wouldn't be standing here if I was not the founder of the world's largest cooperative organization with over \$ 250 billion in annual revenues.

As I stand here, I see the best of me in you all. And I hope you can learn from the worst of me to avoid making the same mistakes. I got my second chance for course correction, but I hope you don't have to wait that long. You've spent the last few years multitasking, but today, I exhort you to slow down. The human psyche is such that we like to do things which give us pleasure and stay away from things which bring us pain. I want you all to try and get uncomfortable more often. And believe you me, no one can make you as uncomfortable as yourself. That is the power of self-reflection. Peter Drucker had once remarked, *"Follow effective action with quiet reflection. From the quiet reflection will come even more effective action."* For long, we have placed huge

premiums on solving rather than thinking. Winning rather than loving. Take a strategic pause, retreat and think upon the tasks which only you can do and must do. Drop your hammer and think every time you see a nail. The human brain is wired with an insatiable craving for answers. Learn to keep it curious for longer periods and resist the urge to act. That's not just a critical thinking skill for a leader, it is a life skill for everyone. Be prepared to improvise.

There is no shame there. The best features of my organization were not my creations. They were the result of consumer feedback. You may think you have a collaborative style of leadership but what if you end up having a sadistic boss with an authoritarian style? I hope your knowledge of the Kübler-Ross Model serves you well as there will be plenty to grieve then. Like Michael Jordan, you think that you can lead with an example. However, you end up with the most unsupportive or incompetent team? Will you summon the 'nudge theory' then? Mike Tyson, in my opinion, was the most sorted person when he said, *"Everybody has a plan until they get punched in the face."* Even the Professor from the Netflix series, Money Heist had to improvise despite impeccable planning. Surely, we can't top that.

On that note, I wish you all the best.

Congratulations once again, Class of 2031. May the force be with you!