

GBS Global Business Summit 2019

It's the story of globalisation and India is the star. On Day I, the chiefs of Blackstone and Capgemini put India's population advantages firmly in the spotlight while a star-studded panel micro-analyses stats of the big globalisation wave. Data, social media, disruption and innovation repeatedly storm the stage but technology clearly has top billing



GLOBAL CEO PANEL

(L-R) Jonathan Gray of Blackstone, Sangita Reddy of Apollo Hospitals, Hans-Paul Bürkner of BCG, Gopichand P Hinduja of the Hinduja Group, Punit Renjen of Deloitte, Paul Hermelin of Capgemini and Ashish Agarwal of YES Bank

In Globalised World, Cos must Keep an Ear to the Ground

Structure, diversification and more democratic fruits of globalisation are crucial for businesses: CEOs



Our Bureau

New Delhi: Businesses can override any uneasiness globalisation creates if they are well-structured and diversified, and if the fruits of globalisation are more democratic than they are today — this was the dominating view at a CEO panel discussion during the Global Business Summit on Friday.

Gopichand P Hinduja, co-chairman, Hinduja Group, called the adverse impact of globalisation a game of politics. "...these uncertainties make no difference if businesses are well-structured, diversified structurally and geographically and firms have their ear to the ground," he said.

Speaking about opportunities in India for

global businesses, Hinduja said, "India is a bed of roses but full of thorns," adding that it needs to do more on ease of business.

Paul Hermelin, chairman and group CEO, Capgemini, sounded a word of caution. "I would be a little less optimistic than my colleagues," he said, explaining that while globalisation was a "wonderful" opportunity, there were people who feel omitted. "I notice globalisation plays in favour of metropolitan areas and people who live in remote territories do feel left out," he added.

Explaining a global trend, he said, the Brexit vote didn't come from London but from Northern UK, same way that in the US elections, the states that voted in favour of Trump were the same, and Yellow Vests are the people who live in suburbs and don't feel globalisation is for them.

So, Hermelin added, "If we do not address these territorial dimensions, and if we only think we can address metropolitan areas, then there will be a major pushback."

Deloitte's global CEO, Punit Renjen, disagreed. "Globalisation is here to stay. What Hermelin is talking about is not globalisation but technological disruption. What is happening in mid-America is not because of globalisation but because politicians use short hand to use globalisation as a tool, but actually this is technological disruption."

EPITOME OF CONFIDENCE

India is a bed of roses but full of thorns... uncertainties make no difference if businesses are well-structured, diversified

Jonathan Gray, president, Blackstone Group and chairman, Hilton Worldwide, along with Boston Consulting Group chairman Hans-Paul Bürkner, said although the advantages of globalisation and advancement in technology were huge, there were also pressures that needed to be identified.

"Globalisation is under political pressure but this is not its end," said Gray. He acknowledged that technological advancements had also created an "unease."

"Companies are looking at a footprint around the world. Globalisation will continue but face changes as it moves from products and services to data information," said Bürkner. Trade wars are a reality today, he said. "We must take this seriously and focus on certain aspects, but many other aspects continue to push forward. So, globalisation is well and kicking in spite some of the challenges."

Highlighting how technology has become a gamechanger, Sangita Reddy, joint managing director at Apollo Hospitals, said health-care was driven by needs of consumers from across the world. She said telemedicine was now reaching millions because of technological advancement.

Ashish Agarwal, senior group president and chief risk officer, YES Bank, pointed to the way banking had changed because of social media and how companies needed to adopt these advancements to scale their businesses. He said the most fundamental change banking was witnessing was the behavioural change with customers.

"Transactions that were happening through brick-and-mortar channels are now through other platforms such as Facebook and Google. That is what the future of banking is," Agarwal said.

ET Now executive editor Supriya Shrinatne moderated the discussion.

DAPPER AS EVER

Master of ceremonies Kabir Bedi was at his stylish and eloquent best on the opening day of the Global Business Summit.



JONATHAN GRAY
PRESIDENT, BLACKSTONE GROUP

Blackstone Feels Picture Abhi Baki Hai for Indian Business

Low wage costs, prowess in English and plentiful engineering talent give an edge

Mohit.Bhalla@timesgroup.com

New Delhi: Global private equity giant Blackstone believes India's economy has all it takes to achieve long-term success as it counts among its strengths the world's second-largest pool of English language speakers, generates 5x more engineers every year than the US and has rock-bottom wage costs.

"Picture *abhi baaki hai*," said Jonathan Gray, president and chief operating officer, Blackstone Group, at the Global Business Summit on Friday. He was alluding to India's bright economic prospects. Gray praised the political dispensation and Prime Minister Narendra Modi, in particular, for reforms and positive macro-economy indicators, highlighting that the best is yet to come for India.

"This government has actually worked to accelerate growth and create jobs," Gray said, pointing out developments such as the Insolvency and Bankruptcy Code as positive.

Gray said growth in infrastructure spending — of about 10% of GDP — and slowing of inflation to a manageable level of 2% annually were positive indicators for the economy. "We thank the Modi administration for all these reforms,"

Gray said, adding that Blackstone would continue to accelerate its investments in India where it had already pumped in

over \$10 billion. Reflecting on Blackstone's successes, Gray said the fund is now close to owning 100 million sq ft of commercial office space, with a 200,000-strong workforce across portfolio companies in India.

Blackstone will continue to focus on tapping India's consumer sector through investments in shopping malls, financial services and healthcare, as per the COO. "Growth is strong and competition limited," Gray said, referring to the business environment that

THE INDIA INGREDIENTS

Growth is strong and competition limited... Just in Bengaluru, there is greater office demand than New York and London put together

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'Simply Making Profit Not Enough'

Definition of purpose and execution of strategy will be key for companies

PUNIT RENJEN
GLOBAL CEO, DELOITTE

Our Bureau

New Delhi: The digital revolution will be more profound than all the earlier revolutions and companies will have to think beyond profitability, said Deloitte global CEO Punit Renjen.

Addressing the Global Business Summit (GBS) on Friday, he said the world is changing rapidly because of four forces. "One of them is populism, and you see this from Britain all the way to Brazil and from Indonesia to Italy. It is introverted, it is regressive," he said.

The others, he said, include global regulations which tend to have influence across jurisdictions. "Third is competition, primarily tech-enabled. But this competition is fundamentally disrupting industries and disrupting the way we do business," he said.



MILLENNIAL ECONOMICS

The takeaway is that you have to think beyond your core competency in Industry 4.0

Besides, expectations from a company are now way beyond making money, said the Deloitte chief, who hails from Rohtak in Haryana. "Client and customer expectations are more outcome-based, especially millennial expectations. They expect you to do more than just generate profit, which is consistent with the theme of this conference."

Renjen said one of the first questions students ask at campus recruitment is what Deloitte does beyond profit. "The takeaway is that you have to think beyond your core competency. In Industry 4.0 that is not going to be enough to sustain competitive advantage," he said.

Companies will have to define their purpose, he said. "And I am not talking about corporate social responsibility. I am talking about fundamental definition for your own business... Why do you exist as an enterprise?" he said.

Renjen concluded by saying that execution of strategy will be key for businesses globally. "It is a great opportunity for us to do right, to do good," he said.

'India Must Harness Data to Compete with China'

Large population, innovation a credit to India

PAUL HERMELIN
CHAIRMAN, CAPGEMINI

Our Bureau

New Delhi: India can compete with China in terms of building a data economy by harnessing its large population to innovate and build the next Google and Amazon locally, Capgemini chairman Paul Hermelin said on Friday.

"China is right in thinking it is successful because data is the key ingredient.



CHANGE IS GOOD

The challenge in India, China and Europe is how to favour US appetite for disruption

Data in China will be like oil in Saudi Arabia," Hermelin said at the Global Business Summit. "India can compete with China in terms of data as it (India) is a large country with a large population."

Hermelin gave credit to first generation IT entrepreneurs such as Infosys founder NR Narayana Murthy and Wipro's Azim Premji, for building a competitive and productive industry by selling services to global companies in the West. Capgemini is partly built on that model, he said, with the French business consulting firm having a large offshore base of more than 1.06 lakh people in India.

India's IT industry used talent and base to deliver services to global businesses and grew into a \$180 billion industry over the last three decades. "This successful model, of having a huge offshore base, has been replicated by companies such as IBM, Accenture and Capgemini."

Hermelin said business shifts in the digital age demand different types of companies. "The beauty of innovation is that we don't know who will be the leaders in 10 years, 20 years," he said. "I know that India has built a successful services industry. The question is, can we see an Indian Google or Amazon? For that you need talent, intelligence and that you have more than anybody."

NET WORTH-NETWORK Who walked the red carpet at this corporate humdinger



1. Dalmia Group chairman Gaurav Dalmia with a guest 2. Sutherland India chief commercial officer KS Kumar and Jaseen Ibrahim al Najem, Ambassador of Kuwait 3. UIPATH CEO Raghunath Subramanian and V2 Digital's Vijay Sankaran 4. YES Bank's Ashish Agarwal exchanges cards with Apollo Hospitals' Sangita Reddy and Deloitte's Punit Renjen



MAKING A POINT: Raj Jain, CEO, BCCL, with BJP's Yashodhara Rajee Scindia

Global Business Summit 2019

Disruptions Can't Dominate Traditional Media in India Yet

Veteran adman says data privacy a bigger threat to market than new foreign investment rules in ecommerce



MARTIN SORRELL
FOUNDER, S4 CAPITAL

Shambhavi.Anand@timesgroup.com



New Delhi: Unlike in the West, digital transformation and disruptions are less apparent in India and the traditional media remains very strong and powerful even today, said Sir Martin Sorrell, who founded S4 Capital after ending his 33-year association with WPP Plc last year.

Sorrell is looking out for some acquisitions in India as part of S4 Capital's growth plan. Sorrell, who left WPP following allegations of personal misconduct in 2018, is still the largest individual shareholder in the marketing and communications group. His S4 has acquired Dutch digital advertising and production agency Media Monks and San Francisco-based programmatic advertising firm MightyHive.

India is very important not just because of opportunities in data, content and programmatic advertising, but also as a technology hub, he said. The country's image has become stronger from a perception and branding point of view now than it was a few years ago. "I remain a raging Indian bull," he said.

Sorrell thinks that the revised guidelines for foreign direct investment (FDI) in ecommerce may not affect the advertising

market much despite Amazon, Flipkart and other online marketplaces being big spenders, but the data privacy issues may create some walls. Data privacy is making clients fearful that they will lose direct contact with consumers. It is also bringing about a shift in the investment of brands

towards creating in-house marketing capabilities, instead of relying on agencies.

"Primarily this is being done for populist reasons and the governments are very sensitive about it," Sorrell said, adding that the regulators have to move faster because the top companies like Google, Facebook,

Amazon, Tencent, Alibaba, Salesforce, Oracle, Adobe, Samsung and IBM are "very big and very powerful".

He pointed out that Amazon is the biggest challenger to Google and Facebook and is eating away from the share of the search engine and the social networking site.

India's image has become stronger from a perception & branding viewpoint now than it was a few years ago

VINEET JAIN

MD, TIMES GROUP

Want GBS to be the Davos of the East

Summits have created ideas that matter



Our Bureau

New Delhi: The Global Business Summit (GBS) should evolve into a signature event along the lines of the World Economic Forum, said Vineet Jain, managing director of the Times Group. "Our ambition is for GBS to establish itself as the Davos of the East," he said in his welcome address. "Unlike Davos, we don't have snow here in Delhi. But the sun is shining on the world's fastest-growing large economy even as dark clouds gather elsewhere."

The event has attained the stature of a key meeting ground.

"In only its fifth year, GBS has become synonymous with a summit where the influential talk about the consequential. Right from its inception, GBS has attracted people who wield real power and has generated ideas that matter," he said. "This has become a meeting ground for policymakers, global and Indian business tycoons, disruptive tech entrepreneurs, and top-notch academics and thinkers. GBS summits have generated headlines that have influenced bottom lines."

GBS boasts of a roster of people who set the country's agenda. "We are fortunate to have been able to attract a star-studded cast to GBS, led by PM Narendra Modi, who has so far graced this stage multiple times," he said. "Like other years, you will hear key ministers who determine policies that shape India's economy."

ASHISH AGARWAL

SENIOR GROUP PRESIDENT, YES BANK

Need to Address Issue of 3S

Let's build scalable, sustainable businesses



Our Bureau

New Delhi: There cannot be any sustainable business in an unsustainable world, Ashish Agarwal, senior group president and chief risk officer of YES Bank, said in his opening address at the Global Business Summit.

Agarwal said the theme of the summit this year—Social, Sustainable and Scalable—cannot be more relevant and that the 3S are interlinked and synergistic. He said the challenge is to find a way to expedite action on the 3S. "One thing we can do is to learn from experts as we discuss policy ideas and best practices to address this issue of 3S," he said.

Agarwal said one of the big challenges in today's world was that one can scale rapidly without adding too many jobs. "It is a challenge on how to deal with the social consequence of this," he said. "For businesses, going forward, their ability to aggregate and harness all kinds of data will determine the difference between life and death," he added.

"Let's say a resounding yes to building scalable and sustainable businesses, which are also sustainable," he said.



GUY KAWASAKI
CHIEF EVANGELIST, CANVA

One Must Jump the Curve to Stay Relevant

Businesses should take cue from customers

Our Bureau

New Delhi: Drawing on his three decade-plus stint in Silicon Valley, along with his long association with Steve Jobs, Guy Kawasaki, one of the world's best-known tech evangelists, entrepreneur, author and investor, spoke about the lessons he had learnt from America's technology nerve centre.

Speaking at the Global Business Summit on Friday, Kawasaki laid out his 10 principles, touching upon topics ranging from innovation to social media that not only define the Valley, which has incubated some of the world's largest technology companies, but also a possible blueprint to succeed in a fiercely-competitive environment.

Kawasaki's presentation is particularly relevant for India, given the rapid growth of the country's technology-based startup ecosystem.

"You cannot ask customers how to create a revolution. Customers can only tell you they want better, faster and cheaper, whatever they're already getting from you... They cannot tell you how to revolutionise your business, they can only tell you how to evolve it," Kawasaki said.

Kawasaki, who famously left Apple

twice, reiterated that the ability to innovate is perhaps just a part of the journey. Allied to that is the ability to understand the purpose of the company, and the need to jump the curve. The 64-year-old cited the examples of Kodak, Polaroid and Smith Corona—all leaders in their respective segments that have now either shut shop or faded into obscurity.

"Kodak invented the digital camera in 1975. (But) how many of you are using Kodak digital camera today? None of you... Kodak defined its business as a film or a chemical company... If you define your business as preservation of memories, you jump to the next curve," Kawasaki explained.

Kawasaki burst into prominence in the early '80s while working with Apple on its legendary Macintosh personal computer, and is often credited, along with Jobs, of creating a cult like reputation surrounding Apple products.

The Honolulu-born American of Japanese descent is currently serving as the chief evangelist of Australian online, graphic design company, Canva. Kawasaki, who has authored more than 13 books, was insistent that startups and entrepreneurs have to "aim high".

'Proud of Tesla's Success'

From Page 1

Eberhard, who originally founded Tesla in the early 2000s, said that though sceptics often raised questions on the environmental impact of manufacture, disposal and charging of batteries used for powering electric cars, he had found the mode to be most effective. "I did not start as an electric car enthusiast but as a non-fossil fuel enthusiast. But electric cars worked a lot better than the other ones in terms of the energy consumed to move a vehicle per mile."

Candidly admitting that he had fallen out with his former partner Elon Musk—"I'm not a huge fan (of Musk)"—he said he was nonetheless proud of Tesla's success. "I pitched the idea and he saw the vision and understood it. But I watch Tesla succeed, and it makes me very happy because it is my baby. No matter who my baby married, I am happy to see her succeed."

Thrun, whose company makes electric aircraft, struck a chord with the Delhi audience when he said, "I was stuck in traffic for four hours today. If I could give you a magic technology to take you across Delhi in five minutes, what would you say?" He said prototypes of his 'vehicles'—which can fly at 150 miles per hour—are being tested, although he admitted that his company was some years away from launching them "in scale". The vehicle—an oversize drone, according to him—uses an electric propulsion system and is easy to operate.

Asked about the Mumbai-Pune hyperloop corridor, Walder said, "We should break ground by the end of this year." He said, "This (hyperloop) is a mass transportation system which will change the way we connect cities... It is ideal for distances up to 750 km."

The company has projected a business case of 150 million rides per year once the corridor is operational. "One of the reasons why infrastructure projects fit in is because the market is right there. You don't have to look at induced demand," said Walder.

Nilekani said India needs high-volume, low-cost options across categories such as ride-sharing, self-driving vehicles, electric cars and mass transit given the rapid population growth and expansion of cities.

Terming India the "ground zero of internet competition", he said India was uniquely poised for disruption because American companies such as Amazon, Facebook and Uber were battling it out with Chinese rival Alibaba through Paytm and also home-grown companies including Flipkart and Ola.



'You Need Good Governance and Clever Politics'

From Page 1

"India was able to deliver resources instead of slogans to the poke: There was 'opposition' to fake issues but this didn't last," he said. "Fake issues had short longevity and had to disappear." He cited the corruption allegations over the Rafale fighter jet deal and the Electronic Voting Machine (EVM) in this regard.

The accusation that the government was attacking institutions was one of these fake issues, he said. When it comes to the judiciary, the government is entitled to question appointment recommendations under the Constitution.

"We exercised that right," he said. In fact, the government's opponents were the ones systematically destroying the judiciary, he said.

As for the Reserve Bank of India, he said two former prime ministers—Jawahar Lal Nehru and Indira Gandhi—had gotten rid of governors, adding "my predecessor was not on speaking terms with two governors".

But the regulator's unwillingness to ensure liquidity was the reason why the government was forced to act. "Not one voice from the real stakeholders spoke out because they knew where the shoe was pinching. Auto sales began falling," he said. "We can't starve the market. The country is more important than any institution."

He also pointed to the role of regulators in the accumulation of bad loans at banks.

"If you lend disproportionately, you'll create capacity but it won't be sustainable. The debt won't come back and that's what happened. Discipline had to be imposed," he said. "It wasn't just the banks but the regulators that fuelled the artificial growth."

Good governance should be blended with clever politics, Jaitley said, calling on voters to choose a stable government.

"The last thing that India needs is political instability, lack of policy direction, a chaotic combination. India needs a five-year government, not a six-month government. A lot has changed. An aspirational society doesn't suffer from a lemming complex

and commit suicide," he said, pointing to the dangers of populism. "Those with no knowledge of policy, when they pretend to be know-alls... Their populism is dangerous. We've tried to resist that temptation. India will have to be sounder in terms of policy."

He also reiterated his condemnation of over-reach by the investigative agencies when it comes to pursuing wrongdoers. "When you're trying to reform a system and bring it in line, it's important that investigating agencies also have to go by high standards of integrity, compliance, fairness," he said, citing the injustice of arresting the Bank of Maharashtra chairman. "The innocent shouldn't be harassed."

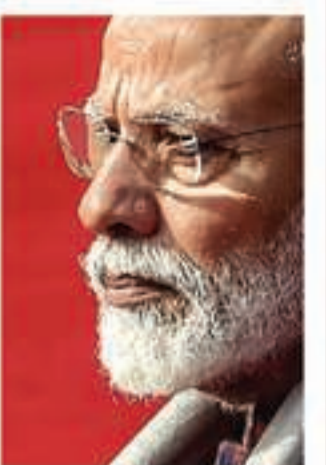
He said the government was clear that it would stick to fiscal discipline and said the exemptions announced in the budget accounted for a minuscule percentage. While the government would continue with the glide path on fiscal deficit, some things had to be done, such as the income transfer programme for farmers on account of agrarian stress.

He said India is extremely angry following the terrorist attack in Pulwama and rejected the Pakistan government's demand for proof when the Jaish-e-Mohammad based there had said it was responsible.

"You have people sitting in your country taking credit for it. Pakistan is riding a tiger on this issue and the tiger never spares its rider," Jaitley said. "India will exercise all instruments at its command, diplomatic or otherwise. This battle has to be decisively won by us. Pakistan is not willing to give up its traditional role as a rogue state. This is not a one-week battle."

This was why Indians were questioning whether the national cricket team should play Pakistan at the World Cup. "India can't be seen playing competitive, even friendly, matches with them," he said. He said Pakistan's economy was in such dire shape that it's seeking another bailout by the International Monetary Fund. Bangladesh, he said, has accelerated past Pakistan.

WATCH OUT ON 23.02.19



10 am
Prime Minister NARENDRA MODI

PM SPEECH

Today we welcome the star and the chief guest of GBS, the Prime Minister of the world's largest democracy and fastest-growing major economy

SADHGURU 10.50 am

The spiritual leader talks on the Making of a Nation



MARSHALL GOLDSMITH 12 pm

The leadership coach and author talks about New Rules of Leadership and how they affect us



PIYUSH GOYAL 12.20 pm

The Minister of Coal and Railways speaks on The Infrastructure Challenge: Getting Private Investment Moving



SURESH PRABHU 4 pm

Listen to the Commerce Minister on The Growth Trinity: Trade, Foreign Investment and Ease of Doing Business



RAVI SHANKAR PRASAD 4.45 pm

Hear the Law and IT Minister speak on the issues facing the country



CANDID CAMERA Bigwigs from the corporate world make their presence felt



1. SpiceJet CEO Ajay Singh 2. Jay Walder, global CEO, Virgin Hyperloop with Martin Eberhard, cofounder, Tesla, and Sebastian Thrun, CEO, Kitty Hawk 3. Metro Cash & Carry CEO Arvind Mediratta and Hershey India MD Herjit Bhalla

PHOTOS BY: Ashwani Nagpal, Prem Singh, Imtiaz Khan and Amrendra Jha