

CONVOCATION ADDRESS

"LEADERSHIP IN THE NEW ECONOMY"

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AT

INDIAN INSTITUTE OF MANAGEMENT, AHMEDABAD

March 31, 2001

Dr. I.G. Patel, Chairperson of the Board of Governors, Director Jahar Saha, Members of the Board of Governors, Faculty, distinguished guests, Ladies and Gentlemen ,

Good evening. I am honored to be here today at the 36th Convocation of the Indian Institute of Management, Ahmedabad.

To the graduates: Thank you for giving me the opportunity to share some of the lessons I have learned. I have little doubt, knowing the caliber of students admitted to this institution and the quality of the education you have received, that each of you will enjoy great success in your professional lives. Here you have learned the principles of management and many of the skills that will serve you throughout your careers. I congratulate you on the hard work that has marked your educational journey and the incredible honor you enjoy as a graduate of this extraordinary institute. That honor carries with it both opportunity and obligation. The opportunities facing you are the fruits of your labors. In a marketplace that rewards the agile minds and ambitions that characterize this class, you will have many doors opened to you. You will be invited to join some of the world's best companies and work among accomplished people. Many of you will have the privilege of pursuing your ideas and the satisfaction of having others seek your contributions.

As one element of your education is completed, another begins. Here, as you launch your careers, you are learning to be leaders. Many of the men and women who have sat in your seats have achieved great financial success and impressive job titles. Only some of them are leaders. It is leadership I want to talk to you about today -- and your opportunities and obligations as leaders. Your success -- in society, in business and in your personal lives -- depends on far more than your mastery of the disciplines and principles you have learned here. Good managers have mastered *techniques*. Good leaders have mastered the power of *ideas*, and their ability to motivate and inspire. Participation in the new economy will demand you to lead.

NEW ECONOMY

There has been a lot of talk about the New Economy and the Old Economy. Until a few months ago New was good and Old was bad. Right now Old is good and New is bad. In this new world of instant gratification all trends are overdone. The truth is always somewhere in between.

The future is characterized by the Knowledge Revolution. It will be an exciting world. It will be a connected world. People will be rewarded for value created irrespective of where it is created. Opportunities in India will equal and exceed the opportunities in other parts of the world. For the first time, you will have the opportunity to live in India and lead the knowledge revolution.

The knowledge revolution will bring the world change as staggering as the industrial revolution did, but far faster and more equitably. The fruits of technology offer opportunities to nations both rich and poor. While the industrial revolution favored those countries able to make the awesome investments in machinery and steel to compete in the global economy, we now compete with algorithms and code. No longer does wealth belong only to the industrialists with portfolios worthy of a Monopoly game.

I believe this revolution will bring tremendous rewards to those of you who can capitalize on it. In a world so completely interconnected, both good news and bad news will travel very fast globally. As a result, excellence will be unfairly rewarded and mediocrity will be unfairly punished. This will restructure everything; all businesses, education, healthcare and government. The world will look to you to lead this change.

LEADING VERSUS MANAGING

I have launched every business venture with a single idea. It was through the power of those ideas and, I learned, my ability to engage others with them that I began my career as an entrepreneur and built the foundation of my companies.

The next era in business will be very different from the era that has just passed. While business techniques have developed slowly over the last 50 years, in the coming years the art of doing business will change as rapidly as technology has changed the way to do business. Your success will be determined not by how you manage teams, but how you lead them.

In the old system, companies were formed by building good organizations, instituting sound business principles, then managing them. Management meant making sure everyone did what they were supposed to do. The idea was to come up with a good process, and plug good ideas into that process. The game had its rules, and they were pretty strictly defined.

Now, changing the game itself is what brings competitive advantage. A company wed to a process is one incapable of agility in this fast-moving marketplace. An effective manager must now not only anticipate the need for change, but encourage and embrace it. An effective leader instills that ethos in others. A true leader is someone who looks beyond process to capitalize on emerging trends and new opportunities and then inspires him or her around them to action. A true leader shares authority, empowers others, and happily cedes ownership of an idea if it is improved upon by others.

Your education does not end here. A leader approaches every decision as an education. Learn everything you can about your business – particularly those functions outside your everyday work – then learn everything you can about the developments in the industry and in the world that affect your business. Challenge your own assumptions by inviting the feedback and opinions of others. Those committed to processes and secure in their own expertise are ill equipped to take advantage of new opportunities.

The old system allowed managers the luxury of timidity. In my early days at Motorola, a product was often years in the making. We would study the market, propose a product, and devote years to design and marketing. Now, of course, many products go from drawing board to loading dock in nine months or less. When you're moving that fast, you don't have the luxury of having everything figured out upfront. You just have to use your instincts to steer your course and be willing to continually fine-tune the process as new information and opinions warrant.

I believe the days of vertical organizations are over – at least for any business endeavor dependent upon the use and development of technology. With speed so crucial to success, the best way to structure a company is by building in enough flexibility to solicit the open and ongoing participation of others. If you are producing a product in nine months, a lot of decisions have to be made in a short period of time. The most successful leaders manage teams in which broad thinking is encouraged, where everyone understands at least a little about others' functions, and where many good minds are devoted to the creation. The most effective leaders are far less concerned about their place on the totem pole as they are about the success of their project. The system works best when knowledge of and enthusiasm for the mission is spread deep across the organization. The value that every employee adds to the corporation is their ability to think through the ideas, and reduce the complexity to some simple common goal.

One of the best tests of the worth of an idea is to casually and quietly share it. Properly planted, a sound idea usually takes root and later returns to me, but with many "owners" who have cultivated it and are now committed to its success. If people are truly working together, in a process that invites their participation and puts emphasis on the quality of the product, the direction you take becomes increasingly clear. Ultimately, it is irrelevant who makes the choices and who claims the credit.

Sycamore is the company it is because we are passionate about what we do, we share the same goals, and we do so with a sense of camaraderie that I believe is rare in the business world today. At any given time, there are a thousand eyes watching the way we do business. And that builds stability and security into a process that thrives on a certain level of chaos. At Sycamore, when we are successful, it is because our people pursue a shared mission. It doesn't matter who reports to whom as ideas are formed and reformed in the race to get a product to market. We come up with an idea, then group and regroup as often as necessary to get the job done. Our success has many authors.

True leadership is not easy. It requires the confidence of a manager who is willing to let go of the traditional channels of command. As a leader, you don't get your authority because you have a position; you get the authority because you participate in a process, you lead an open discussion, and you understand others' contributions. True leadership shuns the comforts of the "tried and true" to encourage innovation and prepare for change. As a company grows with success, it is like a big ship in a small harbor – fat and powerful, but difficult to steer when speed and maneuverability matter.

COURAGE TO FAIL

True leadership is not timid. Whether your company is big or small, you have to be entrepreneurial to thrive in a marketplace that changes so quickly. Bold ideas are not born through hesitation and little progress comes without risk. Sometimes, you even need to be a little crazy. Some would say I'm crazy to be competing against companies one hundred times my size. But over the years I've learned how formidable a nimble competitor can be. I've learned that success breeds complacency and that bigger does not equate bolder in the business world. As a businessman, I learned my courage from failure. I learned to walk away with nothing when I no longer had faith in the direction or potential of an opportunity. Ultimately I learned that the next opportunity comes. If you are open to it, it always does.

In business as in life, we often learn far more from our failures than we do from our success. Don't be afraid to participate for fear of failing. You will soon grow confident in your ability to persevere when you accept the risk of failure and recognize it for the lessons it provides.

CONCLUDING REMARKS

As you begin your careers, I encourage you to welcome innovation, even when it challenges your authority. I encourage you to reach out, to meet as many people as possible, to join organizations that allow you to network and broaden your viewpoint.

Make it a part of your continuing education to study those you consider leaders. Most share similar qualities. They are committed to their ideas. Follow your heart and your gut. You only live once. Choose work you love. Pick the opportunities that allow you to

make a difference. You can achieve success without any measure of personal satisfaction. But this success – achievements unaccompanied by personal passion – rarely makes true leaders. Nurture your ideas. Be open to innovation. Have fun. You will find that your conviction is contagious. It will attract and inspire others. Lead change rather than react to it. Don't be a reluctant participant in a fast-paced world. Change is the greatest opportunity a human being has.

Finally, give back to society. Those of us fortunate enough to sit on this side of the "digital divide" are obligated to reach out to those on the other. Indeed, the greatest obligation of leadership is aim beyond your own interests. I admire the commitment to philanthropy that so often accompanies success in the United States. Those of us fortunate enough to have studied at India's premier universities owe a debt to the institutions as well as those who never will have the opportunities this education affords. I urge you to be active in the affairs of this Institute long after you have left its halls – to support its mission with your time and your charity. As a graduate, you are forever part of the legacy of this school. Serve it well.

I urge you to be a generous citizen in your community. You will find greater joy and reward in sharing your wealth than you ever will indulging in it.

I am honored and gratified by your invitation to join you today, and look forward to cheering you on as you make your ways in the world. I will look to you for ideas and innovation and find inspiration in your energy and ambition. I wish you great success finding happiness and happiness finding your success.

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