

# Introduction

Every child has heard of the ‘five blind men and an elephant’ story. If you ask them about the moral of the story, chances are you will hear many or you will hear none. It’s not their fault. When there are many versions of the same story, its interpretations too are likely to be varied. Rumi, the 13th century Persian poet and teacher used the story to tell his students about the limits of individual perception. The most imaginative interpretation, it appears, is how one part of an elephant can be imagined to be greater than the whole.

Could late Prof. CK Prahalad be the proverbial elephant in the story? His students swear they didn’t know a better teacher; CEOs say no one mentored and coached them like he did; economists say no one redefined the consumer and poverty as radically as he did; his colleagues say they learnt from him how to look at the big picture; his peers say everything he did was contrarian. It’s apparent that CK’s body of work was so vast that even his daughter Deepa Prahalad says: *“Even we sometimes struggle to understand how much he really did.”*

How was it possible then for a man to be so profoundly influential in every field he worked in during his 35-year career? How did he align everything he did to a larger cause and tango effortlessly at their cross section? And, what was that cause?

This book is my invitation to experience the late CK Prahalad’s panoramic life in full splendour through a combination of fascinating anecdotes and insightful experiences.

I was inspired, you could even say, provoked to write this book when I heard several Indian CEOs speak about how CK inspired them at a memorial lecture his alma mater, Loyola College, had organized in Chennai in 2011, a year after CK had passed away in April 2010. The questions that zipped through my mind were – *How much of CK’s significant impact on Indian business is known outside CEO circles? Why should all the credit for India’s dramatic business and economic turnaround be hogged by a few politicians and a handful of daring business leaders? Why aren’t business coaches, mentors and thought leaders celebrated for*

*their contribution outside the precincts of business associations? And why can't a history of Indian business after 1991 be written with CK as the central figure when he is the common factor seamlessly connecting many Indian business leaders?*

I was lucky to start with Anand Mahindra, Vice Chairman of Mahindra & Mahindra and one of the most articulate business leaders I've met. A Harvard graduate, he loves using sports lingo to make a point. When I asked him plainly what he thought about the role business coaches played in India's business resurgence, he shot a straight volley: *"Football teams, like businesses, don't win only because of the strategy or the equipment they wear or because of the size and girth of their leaders; they also win because of their coaches giving them courage, direction and the inspiration to go out onto the field in the first place. I think we don't give enough credit to fuzzy things; the abstract contribution of our business coaches."*

CK was more than just a business coach. You will see later in the book from the personal anecdotes of leading global and Indian business leaders like Ratan Tata, Adi Godrej, Paul Polman of Unilever and Bill Nuti of NCR Corp how CK played a pivotal role in fundamentally transforming their mindsets and enriched their global outlook which had a far-reaching impact on their businesses over a period of two decades.

Ram Charan, CK's contemporary and a highly respected global management guru says: *"CK got business leaders to think in a broader scope, got them to think long term, got them to think in a global context. This is a huge contribution."*

This book is essentially a chronicle of how CK, an Indian-born American management professor profoundly impacted and deeply influenced a sizable number of global and Indian entrepreneurs, business leaders and senior executives from 1980 to 2010 – a period in which most ideas, rules, systems, people management practices and leadership styles for running a business were rewritten. It was a period when the world order changed dramatically as economic power and business growth gradually shifted from the West to the East. The purpose of business too started to shift from only profit to include people and the planet.

Readers can see how CK shaped the evolution of this new order in the 'Global Impact' chapter through his articles, books, teaching, consulting and being on the boards of large multinational companies. The anecdote on CK's role in the revival of Philips is riveting.

It is no coincidence that the leaders CK worked closely with, who spoke to me candidly, are also the architects of the new order. It includes fascinating cases of how CK's magnum opus – *Fortune at the Bottom of the Pyramid* (BoP) -- fired the imagination of CEOs and opened up possibilities of creating wholly new products and markets.

Gary Hamel, CK's co-author in several of his seminal works, says that billions of poor people in the world would be indebted to CK as he has completely changed the way business looked at them -- from being seen as a burden to society to being seen as individuals and as demanding consumers. This mindset change has started to have significant impact on the livelihoods of the poor around the world and has opened up new business opportunities.

For businesses, BoP in different forms is driving innovation and growth. Interestingly, you will see how the next phase of BoP is not Fortune AT the BoP but Fortune WITH BoP. When business executives implement this, they are bound to look at their customers as real people, not merely as numbers that add to their bottom line.

Sustainability and how it will drive future business innovation was CK's last big project which he launched with great enthusiasm in 2008. The stiff agenda he has set will guide a lot of businesses that see this as the next big opportunity.

The first three chapters in the book are all about the unbridled spirit of a boy who did his schooling in a vernacular medium school in a small town called Coimbatore and later went on to sit on the boards of the world's biggest corporations. Generous anecdotes help capture CK's vivid experiences as a student; the invaluable lessons he learnt on the shop floor as a young executive with Union Carbide and India Pistons; as a passionate teacher at the Indian Institute of Management, Ahmedabad and at the University of Michigan, who captivated his students to go on to do what was right, not what pays; as an academic who thought his life would be useful if he focussed on the big picture; as a

prolific author who, using deep contrarian intelligence, turned many ideas on their head and with his incisive writing style cut through the clutter with razor sharp logic and wit.

## Locker Rooms to Trophy Rooms

The heart of the book is in the chapter that discusses CK's impact on CEOs. This chapter – *'Indian CEOs – Turning Sheep into Tigers'* takes the reader on a roller-coaster ride from CK's first annual CEO Forum in Bangalore in 1994 at ITC Windsor Manor to his last CEO Forum at Taj Mahal Palace Hotel in Mumbai in 2009. It captures what transpired during those years and how they were like India Inc.'s, to use Anand Mahindra's phrase, *locker rooms* where CK reprimanded, inspired and led hundreds of Indian business leaders to dream big and act big. The results are there for all to see.

Interestingly, the trigger for CK's 'Transform Indian Business Mission' was a seemingly innocuous incident in Delhi in 1989. When CK asked a group he was addressing if they believed India had the potential to become a global economic power by 2000, only one hand went up. It was the hand of the German ambassador to India. CK felt terribly embarrassed to see not even a half effort by an Indian.

The same night, in his hotel room, CK wrote in his diary; *"How can India get to be in a unique league of nations with US, Europe, Japan, China for creating a new world economic order?"* CK later said: *"I am happy I wrote it down. That's when I realized we can be there. However, what we do in the next 10-15 years will critically determine whether we belong to the exclusive club or not."* He said: *"In 1817, India accounted for 30 percent of global trade. We have been there before, and we just tend to forget that we did it before."*

The two decades following the historic 1991 economic reforms has arguably been the most dramatic period in India's modern business and economic history – an incredible turnaround from a disgraceful underdeveloped nation status dependent on international aid to that of a potential economic superpower with a table in G-20 summits. CK may well be the key architect of this transformation of Indian business from

protection-seeking outfits, terrified of global competition, to respected global players.

He saw India's potential long before many people did and the key role business could play in it. Slowly but surely, CK got Indian businesses to believe in going beyond their profit numbers and contributing to India's transformation and that it was good for them in the long term.

CK believed his mission for India extended beyond reforming its corporate sector. He tried to wean India away from a fixation with the Chinese model of manufacturing. He worked with Arun Maira, Member, Planning Commission and Jamshyd Godrej to relentlessly convey to entrepreneurs that they should focus on their aspirations and dreams and less on their constraints. He made Indians believe that they should focus on the high end, on scope rather than on scale. He argued that India could become the world's manufacturing hub in products that involved knowledge, software and cutting edge research using its vast talent pool.

CK was India's go-to man on the global scene, avidly connecting Indian companies to global corporations, and connecting global corporations to business opportunities in emerging markets. In his no-nonsense style, CK told business leaders that they could aspire to become global only if they raised their quality, governance and business ethics to the highest standards.

By 2003, India Inc. had shed its languid outlook and was ready to look in the eye of the best multinationals. By 2010, many Indian businesses were on par with, and a few even exceeded global standards. It wouldn't have been this smooth if they had not listened to and acted on one of CK's most powerful doctrines – ***Don't follow best practices, instead go on and create the Next Practice.*** In the light of this statement, it's interesting to see how India emerged as one of the top innovation hubs of the world.

**Dwijendra Tripathi**, the first Dean of the Indian Institute of Management, Ahmedabad, and one of India's most respected business historians says: *"There is no doubt that CK caught the attention of the Indian corporate world such as no management guru has done."*

**Ratan Tata**, former Chairman of Tata Sons, whose tenure coincided with that of CK's 'Transform Indian Business Mission', concurs: "*While most management gurus asked everyone to think out of the box and then tried to fit them into theirs, CK helped business leaders build their own box.*"

The chapter 'Indian IT – The Value Driver' is my attempt at discovering and amplifying a lesser known facet of CK's key contribution to the blossoming of India's information technology sector. The top five IT companies and several Silicon Valley entrepreneurs, who came back to India, had CK's counsel right from the early 1990s. They make up for a majority of the software industry's \$90 billion annual revenue.

The chapter titled 'Distilling CK's Writings' by Prof. Manikutty, a retired professor from IIM Ahmedabad, offers a succinct analysis of all of CK's breakthrough ideas from his books and articles. It is a treat for students, teachers and anyone interested in learning how CK's ideas gave organizations a new map to work with.

## **Indians are Ready to be Led Again**

Pride in the idea of India as a nation was dear to CK and he would politely dismiss those who didn't share his belief. Unlike most successful India-born Americans who look at India either condescendingly or as a basket case, the possibility of India sharing the high table with the top five nations in his life time galvanized CK immensely.

CK was inspired by Mahatma Gandhi when he thought about how to serve the poor; he was driven by Jawaharlal Nehru's vision for rebuilding India and fired up by Swami Vivekananda's attempt at awakening India's spirit through economic and moral liberation. CK drew huge inspiration from all these three great Indian leaders during his youth and for charting his India@75 vision and strategy to transform India from a mostly poor, emerging economy to a developed country by 2022. K V Kamath, Chairman of ICICI Bank says: "*Whenever the word 'emerging' is dropped (before India), credit for that should go to CK.*"

There's no doubt that CK had a revolutionary's instincts and beliefs. He declared that political freedom meant nothing for Indians without

economic freedom. At several keynote addresses, he made the point that *“Indians have won purna swaraj, it is time to fight for purna azaadi,”* meaning, Indians won only political independence in 1947 but are yet to have economic freedom. He called entrepreneurs India’s new freedom fighters and believed that only they could minimize the curse of abject poverty. CK famously said that **Indians may be poor, but they are not backward.** This rare insight drove CK to dedicate two decades of his life to India’s renaissance.

CK strongly believed that India’s biggest strength in the global arena was its ability to play the moral leadership role. While this role may have been dented a bit in recent years, he believed India had what it takes to lead because of its enviable success in running the world’s largest democracy and building a vibrant economy, the envy of most developing countries. He said: *“India is a country where universality and inclusiveness are widely practised. We have one of the best advantages very few countries have, including China. Just the sheer diversity of religion, language, practices and ethnicity ... and if we can learn to live in peace, if we can accommodate each other, then we can build a model for the world on how to cope with diversity. That is our opportunity, and if we miss this, then we will be no different from anybody else.”*

When CK was asked to keynote at India’s 60th Independence Day celebrations in New York City by Confederation of Indian Industry (CII) mentor Tarun Das in 2007, he turned around and said it was no fun talking about what we have already done or not done. It was time to talk about what we can do in the future. His paper titled ‘India@75’ has been published verbatim in this book as the last and final chapter so that its powerful message and framework inspire readers and policy makers. CII has since set up a strong ‘India@75 Initiative’ and is working closely with the government in implementing many elements in CK’s framework, especially his pet project of training 500 million Indians by 2022 in useful skills.

If CK were alive today in 2014, he would have had mixed feelings about what India has done since he wrote his diary entry in 1989. He would have been very proud to see Indian business houses emerge as respected global players and India figure in the global influential group of

nations. But CK would have been appalled at the way India's political economy is being managed and how opportunities have been squandered primarily due to abysmal governance standards.

At a time when India is fighting its own demons, CK's strong recommendations could be handy. In his last and biting speech -- the Nani Palkhivala Memorial Lecture in January 2010 in Mumbai -- he said: "*We need to deal with corruption head on. If you don't, you cannot have a widespread entrepreneurial culture. **Corruption must be treated as treason against the nation.** We must focus on individual rights -- not group rights, principles -- not rituals. We confuse rituals with principles, and focus on results, not goals.*"

But his bigger concern was India's crisis of leadership that seems to have worsened in recent years. He said: "*The crisis in India is a crisis of leadership. There is no one who is willing to articulate a view of India and Indianness with clarity and force so that the country can come together and make the sacrifices needed to build a new India that the framers of the Constitution imagined. **Indians are ready to be led again.***"

Those who knew CK personally believe he couldn't have achieved what he has in his life but for his genuine humility, natural flair for connecting comfortably with people at all levels and questioning all assumptions. These traits acted as the source springs from where his intellectual juices flowed. Tata Steel's B Muthuram captures it nicely. "*After every session with him, you come away with a lot of confidence, a lot of faith in yourself, a lot of energy. This has an indirect effect on your organization. He was not elitist. He didn't talk you down. He is someone who puts you at ease and you soon start talking to him as his equal.*"

This book is not a biography. In biographies, there is a certain beginning and a definite end. The learning and takeaways from CK's life are eternal. For some, this book could seem like fiction, especially when one looks at the vast ground that is covered here.

For me, this book is a celebration of CK as a person whose life was anchored on the philosophy of doing well by doing good; is a peek into his life's work which made him a legend among management thinkers even when he was alive. But the essence of this book is about how he

strived relentlessly, like a man possessed, to build a modern India that could take pride in what it did.

CK's death at 68, in April 2010, came as a shock because he didn't show signs of laxity in his energy levels even though he was ill for a few months. Even during his last days, he kept himself busy dictating a column to his daughter Deepa for *Harvard Business Review* and mailing his friends enquiring about their projects.

Sanjay Reddy, CK's student and Vice Chairman of the GVK Group, is poignant when he says: "*The fire that CK left continues to burn in each of us.*" I hope this book ignites the spirit of many more.