

# insight

AMBIT GROUP'S BIENNIAL NEWSLETTER | 16 PAGES OF PRICELESS CURATED CONTENT | JAN - JUNE 2016

## GLOBAL ECONOMIC PANGS

By Jaithirth Rao

Mr. Jaithirth "Jerry" Rao shares his perspective and explains why recovery is eluding the global economy.



## TE3N TREK

TO **RAJMACHI, HARISHCHANDRAGAD & KALAVANTIN DURG**

By Hitakshi Mehra

The climb may be tough, but the view from the top is always better!



## ALUMNI TALK!

By Shalini Kamath

First, you are a part of AMBIT; then, AMBIT becomes a part of you!



Inside...



**MUMBAI MUNCH**  
MONSOON SPECIAL



TRAVELOGUE  
THE ROMAN HOLIDAY!



Just Sell  
MORE

# CEO SPEAKS

Ashok Wadhwa



When I was asked to write for this edition, I could only think of penning my thoughts on Virat Kohli. Like his name, the lessons to be learnt can have a large impact on any organisation including Ambit. It is not a usual kind of leadership; it is the kind for which plenty has been written by everyone from Sun Tzu to your friendly neighbourhood leadership coach.

To begin with, let's look at leading from the front. This is the most important quality a leader should have. Virat has played brilliant innings in tough matches, while handling the nuances of being a captain and keeping his team motivated. Many of these innings have clinched the winner's title for his team.

While we all think we are great, for some the difference between belief and reality is laughably large. A good leader will not fall in this self-made trap and give credit where due. Virat clearly demonstrates this ability, by giving credit to his team members, standing up for the ones who

**Each of us has an inner core from which we draw strength and sustenance for our passions and actions.**

are having a tough day and keeping his head wrapped in humility despite his apparent flamboyance. His gesture of bowing to Sachin after achieving the milestone of maximum 50s in the T20 format, amply demonstrates that.

Being a leader is a 24/7 endeavour. A leader has to demonstrate courage and internal strength to carry the mantle even during times of personal upheavals. When your team looks to you for guidance and

direction, there is no switching off and on. You have to be made of stern stuff. Virat demonstrated all these qualities as a teenager, when he came to bat for a Ranji match the day his father passed away. He helped his team win that match!

There are those who do say he is flamboyant and overtly aggressive. I do agree with them to an extent. What I do not agree with, is the negative connotation that has been attached to Virat's flamboyance and aggression, by many observers. Each of us has an inner core from which we draw strength and sustenance for our passions and actions. For some it is understated sombre contemplation and for some aggressive engagements. As long as arrogance is out of the equation, aggression can be an important ally in tough situations.

So I urge you to take inspiration from Virat. Go punch the air, high five your detractors and keep your flock together. Like Virat, Ambit was born to win.

Editorial Council (left-right) :

Romita Munshi, Hitakshi Mehra, Christine D'Mello, Pramod Menon, Gautam Gupte, Anaya Newgi, Nirmesh Prakash, Shariq Merchant, Angela Fernandes, Shveta Singh.

# Just Sell MORE

By Siddhartha Rastogi



**M**ost companies and sales people struggle to deepen the wallet share from the client. After the arrival of ecommerce, most VCs/ PEs look at the life time value of the client. How many times would the client buy from your platform or products of your company?

In today's competitive era, customer loyalty is only a misnomer. If not so, cash discounts, cash backs, discounted rates wouldn't be needed. Manufacturers are cutting their margins and passing on the benefits to the customers in hope that already existing customers would stay put and buy more.

It's a dream of every individual who is selling to keep getting business from the same client month on month, year on year. But what should Sales people do to increase their sales from existing clients.

**M - Maximise connect with the client** - After the first product is sold, the Sales person should know everything about the buyer. His preferences, his likings, his interests, his attitude towards life and most importantly his opinions on different matters, last but not the least, his main Influencer - Influencers that he looks upto for taking decisions in life, Influencers which help him move forward in life. These can be his family, friends, his goals, intangibles etc. How you and your product get on the right side of influencer is of extreme importance!

**O - Organize his Phonebook - Very important & must-do step** - As soon as the first sale is done. Ensure that clients' phone book is re-organized. Request the client to give the phone to you, so that you can save your number on his phone or suggest him to save all your numbers - Handphone, Landline or even house numbers. Make sure your numbers are on speed dial. If you are someone who travels extensively for

business and hence can't be reached on time, make sure your backup personnel number is saved in clients' handphone. Idea of this exercise is to make sure that you are the one who would be standing behind, when client is stranded with the product sold by you. For the client, it's not the company but it's you. When he sees the product, it's you who comes to his mind and not the company - Very important factor for products which have higher longevity with high ticket value. Excellent Service & proactiveness is the key to Upselling.

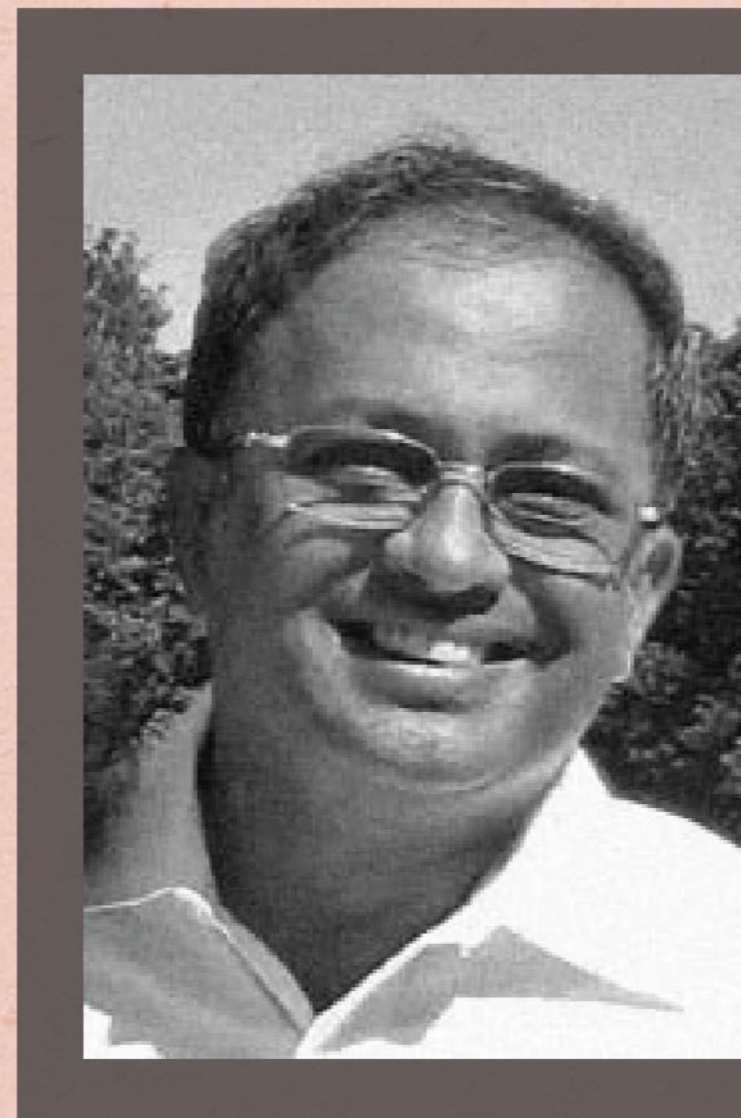
**R - Repeat the key benefits** - Most people remember only 15% of what they have heard 3 hours before. This attention span is going down tremendously with the distraction from smart phone and need to go back to Snapchat, Whatsapp, Email, Twitter, LinkedIn, Facebook, Instagram etc. In such an environment, project key benefits not key differences between old and new product. Hence for upselling, it's important that

Sales person, should repeat key benefits / value additions and not key features atleast 3 times during the conversation. This would aid the client to make up his mind and close the sale fast.

**E - Eliminate doubts** - No product/ Service on this planet is perfect. At some point or other it fails to deliver clients' expectations. The client always remembers the failure of delivery by the product rather than its success. In such a scenario, good prompt feedback and good prompt servicing is helpful (Point 2) which aids client to remove negative feeling about the sales person or the product or the company. At the time of upselling, the client always voices out his / her experience on the failed delivery, that too an exaggerated version. Key here is to then show how in the new offering, those checks, those features are corrected and give the credit of the same to the client for bringing that to company's notice.

These simple things would aid to consistently upsell and then the client is not a client for products or services but the client is there for life!

# ALL IS NOT WELL WITH THE WORLD!



Mr. Jaithirth Rao, popularly known as Jerry Rao, is a distinguished businessman and entrepreneur. He holds Master's degrees in Business Administration from IIM Ahmedabad as well as University of Chicago. He is currently the Chairman of VBHC Value Homes Private Limited, an affordable housing venture which he founded in 2010. He is also a founder and director of Home First Finance Company, a young housing finance company founded in 2010, focused on providing housing finance to first time home buyers.

In the past, Mr. Rao was Chairman and Managing Director of MphasiS, a company which he founded in 1998 and later sold to EDS. MphasiS has rapidly risen to be one of the top 10 IT/BPO companies in India. Prior to MphasiS, Mr. Rao, had a banking career for over 20 years wherein he served with Citi and its parent Citicorp in various capacities in Asia, Europe, South America, and North America.

Mr. Rao is a recipient of several distinguished business and government recognitions. He has been the Chairman of India's NASSCOM. He was named the Ernst & Young 'Entrepreneur of the Year 2004' for the New York region along with MphasiS Vice Chairman, Jeroen Tas, which followed his being similarly awarded in India for the year 2001. In 2005, the Government of Karnataka honored him with the Rajyotsava Award.

Mr. Rao is a regular writer and speaker and has published a volume of poetry and a book of essays. He writes regular opinion columns for various publication.

Mr. Rao's association with Ambit goes back many years when he was on the board of Ambit Corporate Finance, guiding us through our initial years of existence. We are delighted to have Mr. Rao sharing his thoughts on the global economic scenario with us through this article.

By Jaithirth Rao

**T**he global economy is not in a good place. Everybody seems to be saying that. Does that make it true? Well...if nothing else, in human affairs pessimism has a habit of becoming self-fulfilling. The fact of the matter is that the effects of the 2008 economic crisis are still with us. It was a balance sheet crisis of significant proportions. Governments, banks and households were all over-leveraged. We all know that P&L problems in a business have simple, or seemingly simple solutions. You can at least theoretically raise prices or cut costs or do both and come back into the black. Balance sheet problems can only be solved if a variety of parties write down their wealth—always a very difficult thing to do.

That is why recovering from 2008 is proving to be almost as difficult as recovering from 1929 proved to be in the thirties. The U.S. Fed has printed money and bloated up its

balance sheet. The US government was also quick with actions like TARP. As a result, the US is doing reasonably well. But of course, given the level of fiscal commitments built up over decades, the US too has not been able to bring into play any fiscal stimulus, call it Keynesian or what you will. The EU, with its disjointed structure has been less successful. With multiple objectives floating around, they forgot to keep interest rates low on a continuous basis. This has hurt them. Putting Greece through the wringer has not helped. Quite simply moving jobs or economic activity from Florida to California is just not the same as doing that between Greece and Germany. Net-net, Europe is stuck in a sclerotic trap. Japan's problems seem to be less cyclical and more structural and demographic. Poor Abe—he tried. But it is just possible that Japanese society is unwilling to take the risks needed for growth. No leader can lead his people too far from where they want to go. China fired away on all cylinders

after 2008 and now the chickens have come home to roost. Enough steel capacity to flood a couple of planets and dozens of ghost cities are difficult problems to grapple with. If anything China today can disrupt the global economy in different ways—not sure it can help others. Like in all matters, India imitated China, but not with the same gusto. So we have fewer chickens coming home to roost—although that's sometimes not all that clear if you look at public sector bank balance sheets.

And then there is the politics of it. Instinctively Trump has figured out that wage rates in the traded sector cannot go up much unless America imposes tariffs. Wage rates in the non-traded services sector also cannot go up unless Central American immigration is stopped. Hence his position: tariffs on Chinese imports and the infamous wall!

The trouble is that if the US actually breaks the seventy year global compact on progressively dropping trade barriers, then the world is

almost certainly in for a Great Depression—remember Smoot Hawley? Americans in their capacity as wage-earners may benefit—as consumers, savers and investors they will definitely be devastated. As will the rest of the global economy. If the US does not cut off its nose to spite its face, nevertheless one thing is clear: the forces supporting global free trade and an integrated monetary policy which does not involve beggaring neighbors, are quite weak. And therein lies the problem. The Cassandra of the world are arguing that we are heading either for a Great Depression or at best for a sclerotic slow-moving gridlock. They just might be right. The silver lining for India is that we have so many self-imposed roadblocks to growth (e.g. dysfunctional retrospective taxes, no integrated national market, bans on GM food crops etc. etc.) that just systematically getting rid of hurdles and keeping our entrepreneurial adrenalin flowing, may see us living with respectable growth. Or that at least is this anti-Cassandras hope.

# MUMBAI MUNCH

MONSOON SPECIAL

On a scorching day, a Proust spouting Bengali and a aloo loving Bihari, decided to review Bandra's famous **Elco Restaurant**. The inevitable comparisons to the puchka and gola were made. The verdict from Bengal was a Yeah, while the Bihari lamented the lack of the ever favourite aloo filling in the Mumbaiiya pani puri. We proceeded to a lip smacking Chole bhaturey. Fluffy, light, delicious with a melt in your mouth texture, the bhaturas were to die for. The Choley was an apt spicy tangy companion to the bhatura, very much like the Bengali and her Boroline. The Choley Bhaturey were by far the best we had in Mumbai. Last and definitely the least, we ordered a plate of Aloo Tikki Chaat. It came as a mish-mash of various spices and chutneys. The poor thing clearly behaved like the Indian voter, totally overwhelmed due to the innumerable candidates jostling for their share of our taste buds. A bit soggy proclaimed the Bihari, I concur said the Bengali. Finally we agreed on something substantial to existence, Aloo tikki chaat.

On an otherwise very

hectic day, the Bengali and the Bihari decided to check out one of SoBo's favourites, **Swati Snacks**. Finding the place was an adventure of sorts for two people, one of whom has zero sense of direction without Google maps and another who only looked up from the phone to ask, "Where are we dude?" After about 2 rounds of the place, we finally found Swati Snacks. While the decor is quite simple, the board displaying all the daily specials draws you in. Especially if you've been thinking about yummy variants of chaats since morning. Once inside

and settled, we ordered a variety of eats and drinks. These included chaats, pav bhaji, chaas and coffee. The copious dose of yoghurt in the chaats was a little too much for both of us, but we immensely enjoyed the piping hot Pav Bhaji. The strong flavour of pudina in the chaas was a little overwhelming. The banana chips with the filter coffee was a nice touch. Overall, we were left wanting a little more. We did however find a really nice mukh-was shop outside the restaurant, which somewhat salvaged the situation for us.

Vada Pav elicits the same kind of fanaticism following like cricket among Mumbaiikars. While both the Bengali and Bihari are not cricket fans, Vada Pav is another matter altogether. A staple diet for the many people on the go, Vada pav has become the single most popular food item in recent time. Keeping the fanaticism in place, we trudged to Kirti College to sample the vada pav from the stall outside the college, the iconic **Ashok Vada Pav**. Kirti college boasts of Sachin Tendulkar as one of its prominent alums and has generated the same kind of fan following for the humble vada pav. The freshly fried treat got us salivating. The first bite of vada pav transports you into another world with the crispy fried bits against the piping hot potato vada and tangy chutney. Only

one word can sum up this experience. YUM.

You think of rains and the first thing that comes to your mind is a cup of piping hot chai. As we wait for the rains to finally relieve us of the heat, we decided to check out our neighborhood chai place, **Chaayos**. Tucked away in Todi Mills compound, the place has a fun decor with cycle tyres and earthen kulhad lamps as decorations. While indulging in some Chai pe Charcha the Bihari and Bengali, ordered a kulhad chai and a regular chai with cardamom. The Bihari was particularly excited about kulhads, the Bengali about the altruistic motivations inspiring the use of tyres as décor. The saffron in the Kulhad chai gave it that special edge, whereas the regular chai was nice, but nothing extraordinary. The serving in a kulhad also was a nice touch to the whole experience. Overall, a good place to seek refuge and keep warm during the rains, even though at a higher cost than the roadside cutting.

By B&B

[The authors of this column will like to be anonymous, lest people figure that they were eating and making merry, while they were supposedly working hard at some meetings.]



# TRAVELOGUE

## THE ROMAN HOLIDAY!



By Nirmesh Prakash

Nothing prepares you for Italy...nothing! And we mean this in a good way. A traveller's delight, Italy has everything that you may be looking for - gastronomic delights OR spirited cocktails; towering architecture OR artistic splendour; the majestic Colosseum OR the Leaning Tower of Pisa; the mesmerising Amalfi coast OR ruins of Pompeii...take your pick, Italy has it all!

Be prepared for folks smoking like chimneys, the garbage guy who looks like a superstar, and even the beggars who are dressed in designer labels! A country where market squares come wrapped in fascinating stories and gelatos come in every possible flavour imaginable!

*Go on... enjoy this Italian ride!*



### PIZZA

Pizza, pizza and then some more pizza...how much we hogged! Especially interesting was Naples - the birthplace of pizza! Our favourite was the yumilicious Pizza Marinara with 'no cheese'!

### HIGH SPIRITS!



#### LIMONCELLO

A 'heady' mixture of Italy's 'heavenly' lemons, vodka and sugar - it's a must-try liqueur.



#### CHIANTI

The wine of world-famous Tuscany region packed in a special shaped cute bottle with a cuter straw basket!



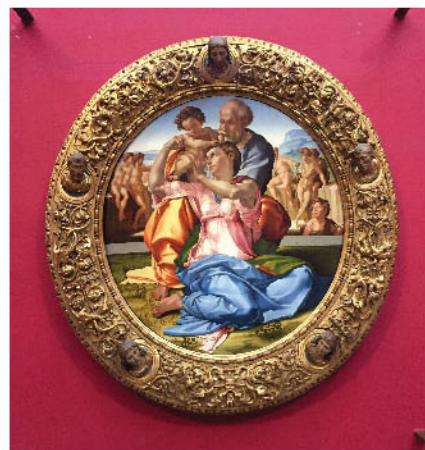
#### APEROL SPIRITZ

Roaming the streets of Italy, your eyes can't miss the inviting, bright-orange drink that many tables seem to be enjoying; eventually, every traveller ends up ordering one! When the Aperol Spritz hits your palate, it's magically refreshing and you wonder when Amchi Mumbai will discover it!



#### ORANGE JUICE

Yes, even the regular orange juice was special - freshly squeezed, chilled with a deep orange colour - tasting heavenly!



### MICHELANGELO

The God of Art is everywhere in Italy!!! His works are to be seen and experienced; words aren't enough to describe them!



### ARCHITECTURE

The majestic Duomo that can be seen from almost anywhere in Florence; the enigmatic Vatican City; the ever-popular leaning tower of Pisa; the amazing walled city of Lucca. And of course, the wooden stilt homes of Venice!



### COLOSSEUM

The colossal Colosseum is like no other monument you will ever visit; it's a piece of history that everyone should experience in person. When the guides tell you the stories of the battles many-a-gladiator fought within this incredible stadium, you are bound to be spell-bound!



### HI-SPEED TRAINS

Clean, convenient, efficient, affordable. And fast - some of these trains touch 300kms/hour without anyone actually feeling the speed!



### COLOURS



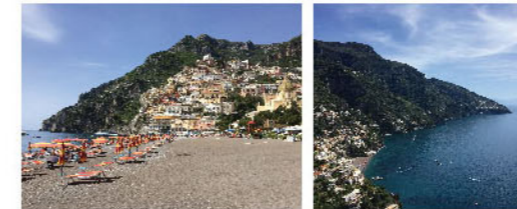
**Burano:** This lesser-known fishermen island in Venice has these quaint, small colourful homes that transport you to a fairy land!



**Siena:** As kids, many of us may remember the brown water colour as 'Burnt Sienna'; we were pleasantly surprised to learn that it's Italian for 'Burnt Earth' - connected to this beautiful small town of Siena!

### NATURE

A road trip around Italy's southern coast of Amalfi is simply breath-taking! Strongly recommend a boat ride to enjoy the stunning scenery and the million dollar homes of famous people! Yeah, we saw some owned by Bill Gates, Roger Moore, Sophia Loren, etc.



### RUINS OF POMPEII

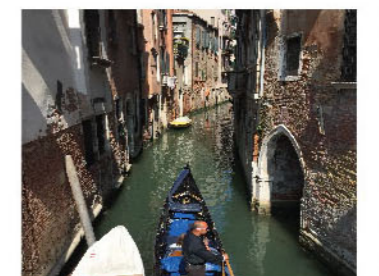
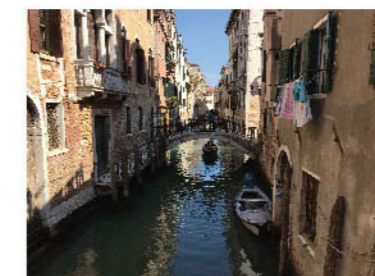
About 2,000 years ago, Mount Vesuvius decided to erupt and spread its volcanic stuff over the nearby town of Pompeii. This bustling trade centre of Pompeii was buried under mountains of mud and slush for centuries, till it was discovered in the 18<sup>th</sup> century. After decades of excavation, slowly the whole town with all streets, homes, town halls, gardens, etc. emerged. And it is available to explore in all its glory... absolutely stunning!



**Gelato:** Italy's own ice cream, comes in any flavour and colour you want! Words can't describe the colourful palate that Gelato offers... sheer bliss!

### VENICE

The romance of Venice is unescapable! The winding lanes with connecting bridges (over 400!) where every first timer gets lost, runs into dead-ends and lanes which suddenly open in the water! Venice is one place where Google maps is limited help!!!



# TE3N TREK

By Hitakshi Mehra

**D**eparture of hot, humid summer season and onset of monsoon is perhaps one of the most sought after times of the year (meteorologic-ally speaking) for us Mumbaikars, despite the heightened traffic woes. Some prefer to enjoy the monsoons eating fried stuff at home and on streets near various sea faces of Mumbai. Some others grab the opportunity to pick up a backpack and head to green, misty Sahyadris.

A day or a full weekend spent walking through light rain and enjoying nature can be a refreshing & unique experience. We present below three of the popular treks which are within hitting distance from Mumbai. Some of the treks can be difficult and if you are not used to it, best way to enjoy is to go in groups, led by someone who is experienced. Please do not forget basic safety precautions! Happy Trekking!

## TREK TO RAJMACHI

### ABOUT

Rajmachi is a 17th century fort located close to Lonavla, at a height of 2710ft. It offers stunning views of the Sahyadri Mountains and is an ideal trek for beginners.

### TYPE - EASY

### HOW TO REACH

- By Train** – Karjat station is the closest. You can then take a rickshaw to Kondana caves and then start the hike towards Rajmachi
- By Car** – On the road to Lonavla, there is a diversion after Khandala Ghat that will take you to Kunhe Gaon and finally to the base of Rajmachi

### FIRST HAND EXPERIENCE

This is an ideal trek for beginners and Rajmachi has twin forts of Shrivardhan and Manoranjan. You can start the trek from Lonavla or Karjat – the Karjat route while longer, is recommended given it is more challenging! Multiple waterfalls and dense forests, ideal for witnessing different species of birds and animals, surround the route making it a popular monsoon destination. While on the journey to the top, do not forget to visit the Kondhana caves, which was carved around 200 BC and is located on the western slope of the Rajmachi plateau. Once you reach the top, would recommend camping since there are two caves located on the fort that provide accommodation for 40-50 people. There are also multiple deities, secret exits, temples on top and each are a must visit!



## TREK TO KALAVANTIN DURG

### ABOUT

Next to Prabalgad Fort, Kalavantin is a 500m or 2300ft high pinnacle on the northern edge of the Prabal plateau. It is a one day trek near Mumbai

### TYPE - MEDIUM

### HOW TO REACH

- By Train** – Panvel station is the closest
- By Car** – Drive till Shedung Phata Panvel on old Pune express way. Take a turn towards Thakurwadi Village from here. Landmark is Zoia Mountain Spa near Thakurwadi Village

### FIRST HAND EXPERIENCE

It is a medium difficulty trek with a landscape, which is beautiful and green. The plateau after the first climb has a small eatery and you can have delicious home cooked meals. The stone steps leading to the pinnacle, which are about 2-3 feet wide, give a rush to any trek lover. However, once you are up there, the pristine air, the expanse and the glory of the surrounding mountains and landscape make the Kalavantin Durg totally worth scaling. Relax, breathe in the clouds and feel the divinity of the beautiful Kalavantin Durg!



## TREK TO HARISHCHANDRAGAD

### ABOUT

Harishchandragad is a hill fort in the Ahmednagar district of Maharashtra, at an altitude of 1294m or 4670 ft and is supposed to be one of the most challenging treks in the Western Ghats. It is at a distance of 90 km from Kalyan and is located in Malshej

### TYPE - DIFFICULT

### HOW TO REACH

- By Train** – Kalyan station is the closest and then take an ST bus to Murbad from where a taxi will take you directly to the base village of Belpada
- By Car** – Drive to the village of Savarne from Kalyan. Then trek for 2 hours to the base village of Belpada

### FIRST HAND EXPERIENCE

It is a difficult, two-day trek (experience needed!) and while there are multiple routes to scale the trek, Nalichi Vaat is the most difficult path (80-degree climb) to reach the top of the hill. It is located to the extreme right of the mountain and the trail begins on a green plain and leads you to large man-sized rocks on a stream bed. After the treacherous climb, you can take an overnight halt by placing makeshift tents on the grassy plateau or inside one of the caves. The hard work of the previous day is rewarded when you reach Konkan Kada, a vertical overhang of 1423m. It offers a stunning view of the surrounding hills being kissed by the clouds and of the Taramati peak, the third highest peak in Maharashtra. Bask in the sun, breathe the virgin air and take a trip to a nearby temple before you begin the long descent down. Do not forget to have a sumptuous meal at one of the local village homes!



# AMBIT PUZZLER

In the seventh edition of the Ambit Puzzler, we need you to get your thinking caps on. While one puzzler will test how well you like 'meeting' at Ambit House, the other will test your logical skills. As always, your efforts will be rewarded!

Three correct entries for each puzzle will receive a gift voucher for Rs1,500. To make it fair (to those who don't believing in reaching office by 8am when the magazine hits your table), winners will be decided on the basis of a) fully correct entries; and b) lucky draw of the fully correct entries. You can scan and send in your entries to editorialcouncil@ambitpte.com on or before July 15, 2016.

## PUZZLE 1

How well do you know Ambit House? The below puzzle has 9 meeting rooms in Ambit hidden within. Let's see if you can locate them - the answers can be vertical, horizontal or diagonal. Just to make it interesting... we aren't telling you what the names are. Evil, aren't we?

Q	L	E	K	E	B	W	I	T	O	M	I
D	H	A	A	S	G	C	W	W	Y	J	R
M	O	U	N	T	E	V	E	R	E	S	T
L	T	Q	C	R	L	T	Q	Y	B	A	O
E	S	C	H	A	U	G	R	I	K	S	G
D	E	L	E	U	H	P	G	G	Z	H	N
E	C	F	N	L	A	B	A	Q	B	O	A
W	E	I	J	S	R	I	T	N	P	K	G
X	B	I	U	A	R	X	L	I	N	J	P
D	J	M	N	N	B	W	P	D	T	A	Q
N	A	N	G	A	P	A	R	B	A	T	L
V	B	P	A	M	Z	W	Q	G	M	N	J
X	I	R	I	G	A	L	U	A	H	D	G

## PUZZLE 2

One family wants to get through a tunnel. Dad can make it in 1 minute, mama in 2 minutes, son in 4 and daughter in 5 minutes. Unfortunately, not more than two persons can go through the narrow tunnel at one time, moving at the speed of the slower one. Can they all make it to the other side if they have a torch that lasts only 12 minutes and they are afraid of the dark?



# ALUMNI TALK!

By Shalini Kamath

Ambit holds a special place in my heart.....may be because I have many beautiful memories of the place.....or may be cos I helped shape its contours in its second avatar..... or may be cos I still meet people that associate me with Ambit..... or may be cos there is a warmth that the place emanates.....or may be its nostalgia that one feels after one has left..... or may be cos it never lets you feel that you are not valued even after you have left.....or may be you forge relationships that go beyond just work.....the list is endless..... but whenever I cross Ambit office there is a little warmth in the heart, a smile on the lips and a glow in the eyes! Interestingly if I am on a call or preoccupied, my driver - Bharat, makes it a point to mention to me - madam Ambit office aa raha hai.

### So what made Ambit special for me?

I came into Ambit at a juncture in its journey when it was transforming itself from a consulting house to a financial services company. This gave me an opportunity to apply the knowledge of HR, which I had learnt at some of the best organizations I had worked with, and create, design and carve out a function as per what was suitable and needed by the organization. And thanks to the organization and my colleagues at Ambit who helped me achieve this. Ambit also gave me an opportunity to learn about Corporate Communication and brand building that I hardly knew anything about. It gave me the freedom and the independence to explore - I could never have survived if I was micro managed. The organization has respect and tolerance for strong professionals. It's an amalgamation of high powered, strong headed and intellectually strong professionals that have learnt the art of working together and not stepping on each other's toes and hurting egos. Its zero tolerance towards even a shade of lack of ethics or integrity was a key factor for me. Now that I work with various organizations I appreciate it even more as I see how shades of grey are over looked. The openness and the ability to

share ones views candidly & without hesitation was another hallmark, I remember taking up an issue to the Board as I felt strongly about it and it was not in agreement with what the Group CEO desired. The aesthetically done office is a treat for the eyes and it made me feel like coming to the office each day (though I continue to try and understand some of the paintings on the walls). And last but not the least my boss - there are not many men in the corporate world who could handle a strong woman like me in a function that is expected to be soft and fudgy and expected to toe the line of what business heads desire. I got a boss who bestowed his complete faith in my capability to help him build an organization. Ashok understood the value of independence that support functions need to lay a strong foundation and he treated us as partners to business rather than just service providers to the business - many leaders make such statements as these are the right things to say but few practice it. Ashok practiced it.

HR as a function has to maintain a precarious balance between people needs, Business heads demands and organization's long term sustenance and growth. Often these conflict and one had to find an optimum solution whereas people and organizations desire perfect solutions (which is rare to find). As an HR head one's role is filled with contradictions - think through the

mind but have a heart in the decisions that one takes, be strategic in ones thinking but have watertight operationally sound HR processes that give a good employee experience. Be rigid to make things happen while being flexible. Influence the decisions but can't take business or people decisions as most Business CEOs like to take all decisions. Make an organization think about its people while Organizations are valued basis its profits and primarily top management caliber. It's a balancing act and the fruits can be seen only in the long term. Short term is a day to day struggle and Ashok as a strong leader empathized with this and understood the challenges.

I was triumphant many a times and failed many a times but I must say I enjoyed the journey tremendously. Creating something has its own charm and if you do it with a bunch of super talented and intellectual lot it is an even greater fun!

Despite two+ years of separation, when I see the gleam in the eyes and a special smile on the faces of many of the people that I meet who I was instrumental in bringing into Ambit or who may even have moved on, it gives me immense joy. From the sudden activity in my inbox and the buzz on my phone I know the appraisal cycle has been completed at Ambit. Some write to thank, some to inform on a promotion received, some to com-

plain and many to seek advice. And they all hear the same thing from me - it's a good company, hang in there, no organization is perfect, see the positives within the organization, work to your highest ability and things will work out for you in the long run.

Ambit has created a strong brand for itself in the market place and am certain must be creating growth too. I have always had a firm belief in the collective power of people and that they create wonders together and am certain that with the capability and the potential that its people hold, Ambit shall reach its pinnacle.

The main ingredients are there, the missing ones need to be discovered and added, the recipe has to be unique as the tastes and palates are changing, the special magic touch will create an irresistible delightful appealing banquet that will be savoured and enjoyed by all. My best wishes to Ambit always!

I truly feel privileged to be invited by the Editorial council at Ambit to write for the Insight magazine. It's an honour and my sincere gratitude to the members of the Editorial council. Life does come a full circle is the first thought that came to my mind when I was asked to contribute to the magazine that was created by me and by the Council that was set up by me.

The challenge is that I have to write about my experience at Ambit in one page. I could write a whole book on my experiences at Ambit, so how do I condense it to a page?!?! Let me try.



# SPEARing ahead!

FY 2016 was a momentous year for our Pragma team – it marked their first exit and a very successful one at that. The Editorial Council caught up with Mangesh Pathak, Partner at Ambit Pragma who 'spear'headed the investment for us to understand the story behind our investment in Spear Logistics.

By Shariq Merchant

## Finding opportunities the traditional way? Not us!

Spear Logistics was Pragma's first investee company – and as the team is known to do things differently, this idea too did not come through the traditional investment banker route. An old friend of Mangesh got in touch with him to see if he could help a high quality contract logistics company going through a financially challenging phase.

Skeptically at first, Rajeev and Mangesh went to meet the company in Pune in July, 2008. What they saw impressed them enormously – high quality international standard facilities, an internally developed IT system that could give the best in the world a run for its money, an honest and competent management – all in a high growth sector.

## 'An evening I won't forget'

A few months later, on the way back after a visit to their Pune, Rajeev and Mangesh were excitedly discussing whether Spear could be their first investment. It was however, a day they would never forget for more than just the investment opportunity that they had come across. It was November 26, 2008. That's when the call came – Mumbai's security had been compromised. It was the day that Mumbai saw its deadliest terror attack.

## Sealing the deal

Spear Logistics is a contract logistics company focused on inventory management. The business model involved working with companies to manage their inventory warehouses in a more efficient manner. This would involve restructuring the current processes to store and move inventory, including lift and shift operations. Their main focus sectors at the time included retail, engineering and telecom. Spear's competitive advantage was its superior warehouse management skills and its internally developed IT platform.

Due to the recent Lehman crises, the company's banker, while having provided credit lines, was not willing to make further disbursements. This put significant pressure on the company's balance sheet and they in turn had to let go of customers. They needed immediate



support for paying their liabilities. Further, the promoters who weren't familiar with PE funding in the past had to be educated through the process – so much that the Pragma team had to sit in their offices to build even the business plan. In January, 2009, the team overcame these challenges and made their first investment.

## How Team Pragma added value – taking Spear to the next level

Given that this was the only investment for the first six months, every member of the team worked tirelessly, thinking about how they could add value to the company. Spear was still promoter driven and Pragma's challenge was to bring in more professionals. There were six key changes that the team brought in.

- **Sales acceleration:** Building a funnel or pipeline of clients to target. This was done in a more organized manner with several doors being opened through Ambit's relationships.
- **Financial discipline:** Without having clear policies in place, the Company saw high degrees of inefficiency in relation to working capital management and making timely payments. These processes were streamlined.
- **Rebranding:** Rebranding was an important part of ensuring that the Spear was recognized in the market – the team worked hard to position Spear in the market as a "contract logistics" player.

- **Key account management practices:** As the promoters were focused on execution, this key aspect was ignored. This was put into place helping them mind existing clients better.
- **Back end IT systems:** While Spear's front end IT systems boasted of operational excellence, the back end support system was far from stellar. The company upgraded and their ERP was put in place to ensure technological efficiency in every aspect: CRM for sales and process management.
- **Management changes:** The team brought in a professional CFO and other key management personnel to free up promoter bandwidth and bring professionalism in the management.

All these changes led to the overhead expenses of the company increasing approximately 5 times in 1 year! This put them into immediate cash losses. The promoters were however, extremely supportive of the move as they too saw the long term benefits associated with the changes.

## Everybody makes mistakes

As Spear went through transformational changes, not everything was hunky dory. There were a couple of expensive steps that the team suggested which did not work out as planned. Cold chain logistics was an upcoming high growth segment which the Pragma team thought could be a game changer. Unfortu-

nately, the team at Spear struggled to pull it off. They faced challenges in getting the transportation part right as well as the mindset change that is required to work in a different segment did not fall in place as expected. Also, the team had appointed some very expensive marketing consultants who were helping them devise a marketing strategy and streamline their current practices. The results were far from what they expected and led to a dent in the profit and loss.

## Of course the results were visible

Despite the challenges of weak environment and an organizational and business transformation, between 2009 to 2016, Spear's revenues grew 5x while its EBITDA grew at a much faster rate! At the point of exit, not only did Spear become a strong cash flow generating company but the company which was in financial distress in 2009 turned debt free!

## 'One Ambit' at work

Scalability was Spear's largest challenge. This is when the Pragma team reached out to the other arms of Ambit to leverage its internal capabilities working together to open several doors to introduce clients to see the value Spear could add to their inventory management challenges. This helped Spear scale up its operations fairly quickly. Of course, this wasn't all. At the time of exit, it was Group's prowess at the negotiation table that helped Ambit get the best price for this high quality asset.

## All's well that ends well

As the revenues picked up and the team saw consistent growth, they started scouting for buyers in 2013. However, the weak economic environment at that moment did not lend support to a favourable exit. The team then decided to stop the process. However, in December, 2014, when the investment climate picked up again, the team went back on the road. FM Logistics, a French logistics player who was in talks even in the earlier round returned with much more vigor and this time offered multifold of their initial offer. After a few rounds of negotiation with the buyer, Ambit Pragma delivered its first exit!

Kudos to the Pragma team – we look forward to many more such success stories!

# AMBIT LOCAL NEWS



**"Ambit is like a second home for me and I have learnt a lot from my senior and junior colleagues."**

Pradeep Rambhau Shrirao

Pradeep Rambhau Shrirao has been working with Ambit for the past 16 years and has been handling the dispatch department for the past 10 years. Pradeep hails from a village called Pusla in the Amravati district of Maharashtra which is famous for its juicy oranges. Pradeep's wife Neelakshi is a homemaker. Pradeep has two children, daughter Dhanashree is pursuing M.Sc and son Aniket is studying Computer Engineering. Pradeep's hobbies are listening to music and reading and he pursues this hobby while traveling between home and office. Pradeep likes home cooked food and no prizes for guessing which is Pradeep's favorite fruit. "Ambit is like a second home for me and I have learnt a lot from my senior and junior colleagues." says Pradeep proudly.

## CHAMPIONSHIP AMBIT PREMIER LEAGUE

When a third man with a short leg makes a point to the mid fielder in the gully you know its APL time!!!







## **DID YOU KNOW?**

**In a year, we, at Ambit Group,  
print over half a million B&W prints  
& another half a million Colour Prints!**

It is estimated that 3,000 sheets of paper cost the earth a tree.  
So, we are responsible for using up over 300 trees every year!!!

Let's consider our environmental responsibility before printing anything.

**- A sincere request by the Editorial Council.**

