

ET Awards 2008-09: Business Leader of the Year- Anand Mahindra

Mr. Anand Mahindra, VC & MD, Mahindra Group has been declared as the Business Leader of the Year by the ET Awards 2008 – 09 jury.



The jury members for this award included industry leaders such as Azim Premji, Kumar Birla, Sunil Mittal and Deepak Parekh. The jury felt that the awards should recognise excellence and success against all odds. People and companies, who battle it out in tough circumstances and come up trumps, are really the deserving winners. Each of this year's winners embody this fighting and never-say-die spirit. Anand Mahindra took a big risk by buying Satyam Computer and fought successfully against multinationals and locals to make M&M the market leader in tractors and utility vehicles.

The award seeks to honour a leader who has clearly demonstrated a strategic direction for success, and has pursued vision.

Read on for a story in *The Economic Times* dated August 25, 2009 on jury deliberations and the factors that tilted the scale in favour of Mr. Mahindra.

Pure sense, passion and a vision fuelled the big leaps

The Satyam deal makes Mahindra the man of the moment

ET's Businessman of the Year, Anand G Mahindra, is the man of the moment for more reasons than one. The no-brainer being Satyam, clearly the deal of the year not merely for its size and complexity but also for the mind-boggling scam that preceded it... unprecedented in India's Corporate history.

But even more than that was its emotive public appeal — something that took even Mr Mahindra by surprise. "I didn't realise the impact this would have on the public arena. I really hadn't understood the extent to which people in the public domain had gotten their emotions involved in this," Mr Mahindra told ET NOW. "The IT industry had clearly been a champion and a symbol of India's new self-esteem. And the unfortunate vicissitudes of Satyam had begun to erode that."

The jury members had an intense debate in this category. The contenders were Mr Mahindra and OP Bhatt, chairman of SBI. Mr Bhatt's attempts to transform SBI from a stodgy PSU into a nimble-footed consumer-focused enterprise is still work-in-progress, but many jury members gave him credit for the effort. Mr Mahindra's leadership was also praised.

What clinched the argument in favour of Mr Mahindra was the M&M group's remarkable achievement in the fields of technology and automobiles. M&M has emerged as the No 1 player in tractors and utility vehicles. The group's daring gamble in acquiring Satyam was also noted by the jury though it felt a tremendous effort would be required in turning around the company.

But beyond Satyam, the less adrenaline-pumping and headline-grabbing reason is even more pertinent from a business basics point of view. M&M's core businesses, the \$6.5-billion group actually managed to increase its market share and improve sales numbers during the downturn.

When Mr Mahindra took over the reins of the Mahindra group as MD in 1997, M&M was a very different company from the one he is now heading. In the intervening 12 years, he cracked some of India's biggest domestic deals — Punjab Tractors and Satyam being the best known — and turned his family business into an industrial conglomerate worth nearly \$7 billion.

The group's interests now range from automobiles and farm equipment (tractors) to IT, real estate, banking and retail. But in many ways, the Satyam deal makes Mr Mahindra the man of the moment in 2009. Satyam is the biggest scam in the history of corporate India and its unfolding was both dramatic and path-breaking, changing policy and forcing both boardrooms and Parliament to sit up and take notice. The Satyam deal will also be a big learning opportunity for M&M. From people issues to client-handling, from business integration to tapping synergies, Satyam is bigger than anything the group has attempted before.

In many ways, Mr Mahindra has changed the way things were done in M&M. He introduced new products like the best-selling Scorpio, pushed his company to look at new markets and customers by tapping the urban, car-buyers and branched out into related businesses. The new business yardsticks are what Mr Mahindra himself calls the blue chip mantras of global presence, product innovation, business leadership and return on capital. Unless a new business meets these criteria, the group isn't interested.

Yet, this growth gumption does not come at the cost of pure common sense. Mr Mahindra himself has often said that the thing he most avoids is getting into a spirit of "deal heat" which encourages "irrational bidding" in a show of machismo.

In many ways, that steadfast sticking to pure sense has been Mr Mahindra's credo right from the beginning. During his stint at Mahindra Ugin Steel Company (Musco), he initiated the Mahindra Group's diversification into realty development and hospitality management. He was also one of the founders of Kotak Mahindra, which later became a bank. A Harvard College graduate, Mr Mahindra started his stint in M&M when he joined Musco as executive assistant to the finance director after his return from the US.

In 1989, he was appointed president and deputy MD. He has already seen his group through two bad patches — first the 2000 slowdown and now the current economic crisis. The first time round, his company emerged stronger from the trial. Whether he can manage a ditto, this time round, will depend on how well the group handles Satyam.