During the previous decade, the nature and dynamics of Indian companies’ engagement with the overseas markets have gone through a shift. Overseas expansion and competitiveness are increasingly dependent on firm level capabilities rather than on national endowments in traditional products or commodities. Two meta-trends are driving the presence, growth, and competitiveness of Indian companies in overseas markets.

One, the process of liberalization and globalization of Indian economy has led to the development of competitive capabilities by Indian companies and has brought about intensive interaction with global corporations, professionals, capital, ideas, and practices. Two, the transforming impact of information and communication technology (ICT) on the world of business has resulted in the emergence of new types of businesses and new ways of organizing. The context and timing bestow Indian companies with a set of advantages and challenges.

This panel discussion has the benefit of six cogent contributions—from academics who have intimately researched the phenomenon to practitioners who have led their organizations and have created substantial presence in overseas markets. Some of the major patterns and conclusions that the colloquium converges upon are as follows:

- **From comparative to competitive advantage:** With shift towards advantages based on availability, lower cost and skills of the technical and scientific manpower, Indian companies’ need to create complementary skills and the success are governed by competencies developed within a company and aspirations of its top management.

- **Favourable ‘push’ and ‘pull’ conditions for overseas successes:** For an increasing number of industries, Indian companies are reaching the point of having global advantages—favourable factor conditions, domestic demand characteristics comparable to that overseas, presence of ancillary and supportive skills, and pervasive confidence for looking beyond domestic markets. On the ‘pull’ side, from the situation of Indian origin being a handicap, the world has come to acknowledge ‘India advantage.’

- **Three strategy types for Indian companies in overseas markets:** ‘Outsourcing,’ where the domestic market is either very small or unattractive; ‘Internationalization,’ where companies are aiming to expand market or balance business downturns and risks of domestic market; and, ‘Multinationalization,’ where companies are aiming to create sustainable competitive position in several geographies.

- **Differing requirements of the institutional and the retail customers:** Joint ventures are generally not viable for institutional customers, while being a useful option for reaching the latter—with benefits related to local knowledge, capital, brand, and distribution.

- **Organizing for growth and capability building:** Structure for the three strategy types is different and a ‘dual-core’ model could balance requirements of risk-taking in new areas with efficiency in stabilized activities. While carrying Indian imprint, the culture will be company-specific and should be allowed to evolve in a directed way.

- **Critical role of conviction-laden leadership:** This is a common element across all the Indian companies that have made overseas breakthroughs and the leadership traits of being clear, fundamentals oriented, and planned need to be supplemented with international orientation and preparedness for longer haul for success in overseas markets.

While the first meta-trend has just started manifesting itself in overseas expansions of Indian companies, ICT positions and embodies them with powerful competitive advantages internationally. The events of last decade are just the beginning towards the emergence of Indian corporations that operate worldwide and, more importantly, hold significant and leading positions globally in a large number of industries.
In the last few years, the option to operate beyond domestic territory has become an essential consideration for most of the Indian companies. While some are ‘born global,’ for many, it is the natural path of growth and expansion. This Colloquium explores the phenomenon of ‘Indian companies in overseas markets’ in order to identify major facets and aspects and to draw useful conclusions for being successful.

The presence, growth, and competitiveness of Indian companies in overseas markets is primarily being driven by two meta-trends. One, the process of liberalization and globalization of the Indian economy has led to the development of competitive capabilities by the Indian companies and has brought about intensive interaction with global corporations, professionals, capital, ideas, and practices. Two, the transforming impact of information and communication technology (ICT) on the world of business has resulted in the emergence of new types of businesses and new ways of organizing. The context and timing bestows Indian companies with a set of advantages and challenges. This will be reflected not only in the business and organizational choices of individual companies but also in the overall patterns of internationalization of Indian companies as a genre.

On the other hand, business corporations have operated outside their home territory virtually from the beginning of commercial enterprise and to talk of operating overseas in a seamless and integrated world of today could appear to be an oxymoron. However, till the 1960s, almost all companies operating beyond their home territories were European or American with the latter being slower to go overseas. Japanese companies started emerging internationally in the late 1960s and those from Korea and other East Asian countries in the 1980s. Emerging market multinationals is a recent development (a little more than a decade) and the count of globally significant ones rarely exceeds a dozen or so. Though it is the firms that compete internationally, the competitiveness depends considerably on the natural and skill-based factor endowments, size and sophistication of demand, and psyche and self-belief of the national environment and home base.

Emergence of globally competitive companies from a nation is an outcome of the congruous and supportive context and the setting up of an enabling process. The context in the form of two meta-trends is highly favourable now. This will enable progressively a larger number of India-based companies to create significant positions in the overseas markets. The process, acting through demonstration effect of an internationalizing company on compatriots within the industry and beyond and through creation of allied institutions and skills, i.e., financial and legal expertise, is gaining momentum and reaching a critical mass. Thus, the Indian business is perhaps close to a historical turning point, in many ways similar to that of the Japanese companies in mid-1960s. The Indian experience could be equally novel and important, globally.

This Colloquium has the benefit of six cogent contributions. They represent a diversity to cover the various facets of the ‘Indian companies in overseas markets’ — the academics who have intimately researched the phenomenon and the practitioners who have led their organizations and have created substantial presence in the overseas markets. The contributions together make for a thorough perspective and a fine repository of insights on how Indian companies can emerge as significant global players.

J Ramachandran of IIM, Bangalore states that the new genre of companies with international business is
different from those in pre-1990 period or anytime before. Unlike commodity exporters, these companies are built upon competitive advantages of knowledge and organizational capabilities which will enable them to penetrate deeper and go up the value chain. They can emerge as globally significant players in their industries, and will also spur companies in their own and other industries. He analyses the dynamics of macro, industry, and company-specific factors for the recent developments and outlines future agenda for the new genre of companies and lessons for the aspirants and potential overseas competitors from India.

Habil F Khorakiwala of Wockhardt Ltd. reckons that ‘India advantage’ in pharmaceuticals is based on the scientific and professional resources of international calibre, entrepreneurship, and cost advantages in all components of the value chain. Interestingly, foreign companies who came to tap middle-class market discovered these advantages which the Indian companies leveraged aggressively to take positions in overseas markets. They have acquired developed country corporations and no country including China can really compare on the breakthroughs. He emphasizes on a glocal approach for managing global business with ‘globally integrated’ management processes, manufacturing, information technology, human resources, and supply chain and ‘locally responsive’ approaches for sales, marketing, regulatory affairs, and intellectual property rights (IPRs).

Jerry Rao of Mphasis Ltd. rules out short cuts of joint ventures and partnerships if Indian companies are genuine about becoming serious global players. In IT and business process outsourcing where primary markets are outside the country, the ‘DNA’ of being an India-based company is important — it should not be altered and denied but embellished and evolved for success.

Pramod Khera of Aptech Ltd. provides a perspective from a business that, unlike most of the Indian overseas forays, needs to deal with retail consumers overseas. He cites the success achieved in China through a joint venture and the importance of having a credible and known partner for brand-based retail businesses. China is a high potential market and Indian companies can succeed if they can effectively gather local knowledge, undertake localization, move up the value chain, merge in local milieu rather than stand out, and handle negotiations appropriately.

Niraj Dawar of University of Western Ontario states that besides information technology, marketing is India’s key competency globally. Unlike other emerging economies like China and Russia, Indian companies have built successful brands locally, and equally importantly, Indians are entrusted with managing international brands by even the most centralized of the foreign companies. The world-class skill is there and it needs to be exploited. Infosys needs to and is becoming a global brand. The issues that have to be tackled are — ‘ways’ to acquire knowledge about local consumers in foreign markets and then evolving approaches for creating or adapting brands and ‘means’ to support the investments required in terms of funds and time.

B N Kalyani of Bharat Forge Ltd. says that the company’s overseas expansion began with the need to expand market, improve productivity and technology levels, and de-risk business across countries. They have become the second largest forging corporation in the world and their product range extends to the most complex and high value added products. He believes outsourced manufacturing is a huge and realistic opportunity and says: “The world is beginning to believe in India; We need to believe in our ability to compete, perform, and succeed!” Innovation is the key to unassailable competitive strength in the global market and Indian companies have the requisite wherewithal. He argues for a Toyota-like ambitious and competitive approach in the overseas markets.

The major patterns or conclusions and their imperatives for Indian companies are put together in the final section. However, the theme — that the stage is set for Indian companies to emerge as players of relevance in a large number of industries globally — is unambiguous. Fortune ‘2004 Global 500’ lists four Indian, three Brazilian, three Russian, 15 Chinese, 13 Korean, and 82 Japanese companies. India can aspire to match, if not exceed, the number of ‘Global 500’ Japanese companies in a decade or two.
The Vikalpa Colloquium on the engagement of Indian companies with global markets raises a set of interesting questions. They are interesting because while the engagement of Indian companies with overseas markets per se is not new, the nature and the character of engagement of Indian firms with global markets has undergone a dramatic change over the last decade.

Historically, engagement of the Indian firms with overseas markets was with the export of traditional products like tea, coffee, iron ore, leather, apparel, gems and jewellery, etc. However, in the last ten years, largely on the back of the performance of firms in the Indian software and pharmaceutical industries and increasingly the auto component industry, Indian companies have been successfully participating in what can be broadly classified as ‘new age’ industries that are ‘technology-knowledge-service-intensive.’ Thus, the participation of Indian firms is no more restricted to ‘commodity’ like industries. Second, and more important, is the emergence of globally competitive companies in these industries. Infosys, Wipro, TCS, and Satyam in the software industry; Ranbaxy Laboratories, Dr.Reddy’s Laboratories, and Aurobindo Pharma in the pharmaceutical industry; and Bharat Forge and Sundaram Fasteners in the auto component industry would be relevant examples. In sharp contrast, despite decades of exports of traditional goods listed earlier, India has not seen the emergence of a single firm that is a force to reckon with in those industries. Third, even though the competitiveness of these new age companies is still largely anchored in the country-specific advantage of low cost, the managements of these companies have sought to go beyond cost competitiveness by focusing on the organizational dimension. They have built highly responsive organizations that compete fiercely in the global markets, including, critically, in the most advanced markets of the world. Bharat Forge, for example, competes on the basis of its ability to respond rapidly to its customers’ demands, which predominantly comprises the global auto majors.

What led to the emergence of this new genre of companies? It is tempting to attribute the emergence of these globally competitive companies to the economic reform programme that the Government of India embarked upon in the early 1990s. However, that would only provide a partial explanation. The reform programme, by opening up the Indian markets to global companies, made the need to be competitive — to defend one’s market position — a compulsion. It, however, did not make participating in global markets necessary. That was still a matter of choice for the top managements of the companies. Most of them including several large ones in the Indian industry do not actively participate in the global markets even today. Indeed, one could argue that it is their participation in the global markets, by choice, instead of compulsion, that has resulted in the successful emergence of the globally competitive firms cited earlier. In fact, the earlier policy regime did require companies to ‘export’ if they wanted to gain access to (the then) precious foreign exchange to import capital goods, input materials, etc. This compulsive characteristic of the ‘export requirement’ however, failed to result in the emergence of globally competitive companies. The ‘exports’ of most of the companies was largely a sham. They, typically, fulfilled the requirement by ‘routing’ exports of traditional products made by the traditional exporters through their books of accounts! Thus, Indian firms have been successful in making an impact on the global markets when the engagement has been voluntary and not imposed by policy. However, policy regimes can enable. That is precisely what the economic reforms of the early 1990s did.

Similarly, it is tempting to attribute the successes achieved by the new genre of companies to the visionary leadership of these companies. That would be a facile
Visionary leadership is a necessary but not a sufficient condition. Beyond leadership, what has led to the successes of these companies is the set of difficult choices they made. The most important of them was the decision to pursue opportunities in the most competitive markets of the world. Consider Ranbaxy. It is often cited as a stellar example of visionary leadership. Indeed, Dr Parvinder Singh, the late Chairman and CEO of the company, was a visionary. He did set the company on the path of globalization. However, what proved to be a critical inflection point in the company's successful journey was its decision in the mid-1990s to participate in the fiercely competitive US markets. Until then, Ranbaxy was exporting its products essentially to a number of what can be termed as India-look-alike (read developing) markets. In these markets, price is the key success driver. They are not demanding on other parameters like quality, delivery, innovation, etc. On the other hand, the advanced markets like the US and Europe are very demanding on these counts. In these markets, customers punish firms for underperformance on these other parameters. It is the commitment to serve demanding customers of the advanced markets of the world with the attendant willingness to learn and critically invest in developing the requisite competencies (regulatory and legal in this case) exhibited by it that made a crucial difference to Ranbaxy's performance in the global markets. This pattern of engagement with the most competitive markets of the world and display of a willingness to learn and invest in building the necessary competencies is discernible across this new genre of companies. Thus, one would argue that the commitment to engage with the most competitive markets and the concomitant willingness to learn and adapt to the requirements of demanding customers led to the success achieved by these companies in the global markets.

Participation in the advanced markets of the world, however, was not an option to the Indian software industry. Yet, Indian firms have achieved spectacular success in this industry despite, even more interestingly, the absence of a robust or a well-developed domestic market for their services. While one could argue that the huge demand for software services and availability of low cost software engineers was the prime reason for their success, it would not do justice to the achievement of firms in the industry. While these two factors provided the initial window of opportunity, they were not all. The firms of the industry have not only achieved phenomenal growth in terms of revenues and profits, but have also displayed a remarkable resilience and importantly consistency in their performance. This is truly laudable considering the technological and business volatility that this industry was subjected to over the last decade. Their emergence as world-class players can be traced to a series of complementary and continuous managerial innovations that they unleashed. For example, they pioneered the off-shore model of software service delivery. They overcame the traditional concerns with outsourcing to a remote location by innovatively leveraging software process quality certifications under the capability maturity model (CMM) developed by Software Engineering Institute (SEI) of Carnegie Mellon University. For example, they used it to overcome the ‘country of origin’ bias that firms from ‘developing’ countries like India typically confront, particularly in knowledge-intensive industries like software. To assuage fears over ‘loss of control’ over remote location operations by client personnel, they developed a set of metrics and governance mechanisms that were anchored in the well-accepted SEI-CMM framework. While the metrics enabled ‘output’ control by the clients, the governance mechanisms developed around them gave them a strong sense of ‘behaviour’ control over the operations and mitigated their apprehensions.1 Thus, the success achieved by the firms in the software industry suggests that, in addition

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to choice of markets to compete in, execution matters. And, more importantly, innovation in execution matters.

The success achieved by the new genre of companies is also due to their careful selection of the market segments to participate in. For example, the Indian software majors largely participate in the service space and not in the product space. Similarly, the pharmaceutical majors essentially participate in the generic segment of the pharmaceutical industry and not in the research-intensive new-to-the-world products segment. The companies in the auto component industry too supply relatively ‘standard’ products like crankshafts and radiator caps. They do not, as yet, offer ‘original’ products designed and developed by them on their ‘own’ technology platforms. The advantages of participating in these kinds of market segments are multi-fold. First, the decision-making process at the customers’ end would be more rational than impulsive. Second, communicating the compelling nature of their value proposition (competitive quality at low cost) to these kinds of customers is relatively easy. Third, evaluation of their ability to perform and their subsequent performance by these customers is fairly straightforward. Witness the high retention rates of customers by these companies. Fourth, they do not need to invest heavily in building complementary assets like product brands or distribution that are critical for success in other segments of the industry. In most of these cases selling is direct to the customers, and where access to distribution channels (as in the case of pharmaceutical products) was required, they were easily available. That does not mean customer acquisition is easy. These firms needed to compete, and compete vigorously, with other suppliers. However, the parameters of selection are relatively well-specified (largely cost, quality, and delivery) and that makes the task of customer acquisition that much less complex as compared to, say, the FMCG industry.

Significant components of the value chain of these companies are located in India. And, rightly so, considering the fact that they are essentially leveraging the country advantage of low cost—both for manufacturing operations and talented human resources. The pharmaceutical majors have acquired some local manufacturing facilities. But, these have largely been done to gain a toehold in these markets. Textbook distinctions of ‘going global’ vs. ‘going international’ are largely irrelevant in an increasingly globalizing world. The impact on competitiveness should drive the choice of activities to locate in different geographies. Not academic niceties! These companies seem to have followed this edict. For example, most have, quite appropriately, located the customer acquisition function closer to the customer in the various geographies they participate in. Similarly, many of these companies have opted to mobilize funds from the international capital markets. In addition to lowering their cost of capital, mobilizing funds from global capital markets signalled the willingness of the managements of these companies to subject themselves to high standards of corporate governance providers of capital in global market. Additionally, raising financial resources from international markets brought these companies within the radar of global investment bankers all of whom started tracking and reporting the performance of these companies. This resulted in high visibility and, more importantly, accorded credibility to these firms and subtly aided their customer acquisition process.

Increasingly, this new genre of companies, as they seek to move up the food chain by offering more sophisticated products and services, are enhancing their overseas presence, largely through acquisitions. However, they have been highly selective in their acquisitions. They have typically used acquisitions to access the difficult-to-build competencies of the acquired companies rather than to achieve scale. Even where companies have preferred the green-field route, their overseas initiatives have been driven by the need to access skills (leading edge research talent in the case of Dr. Reddy’s and consulting skills and talent in the case of Infosys) than scale.

A final interesting characteristic of this new genre of companies is the visible influence they seem to be subtly wielding over each other. Perhaps because they are, by global standards, individually (and collectively!) small, or perhaps because they are so few in number in

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Textbook distinctions of ‘going global’ vs. ‘going international’ are largely irrelevant in an increasingly globalizing world. The impact on competitiveness should drive the choice of activities to locate in different geographies.
a large country like ours, or perhaps because the country as a whole is looking up to them as a group of pioneers who are making an impact on the global markets, or perhaps because of the significant recognition accorded to them by a very competitive media which has given them a near iconic status, peer level competition seems to spur the managements of these companies on! Thus, in addition to the traditional stimuli of opportunity exploitation and capability leverage, peer influence that is pan industry in character seems to drive Indian firms to go overseas!

What is the message from the performance of this new genre of companies for the rest of the Indian industry, especially the large companies that dot the country’s industrial landscape? First, it can be done. Second, it calls for something more than visionary leadership. It requires commitment to compete in the advanced markets of the world. Third, to choose market segments that offer opportunities to gain a rapid toehold in these markets. Fourth, to do what it takes to win. Specifically, it requires a willingness to learn and invest in the development of the requisite competencies. Finally, and most importantly, to focus on building an organization that constantly seeks to innovatively exploit opportunities that the global markets offer as the firms in the software industry did.

What next for the new genre of Indian companies? Their achievements are commendable. They have attained critical mass. That gives them a platform. They would need to convert this platform into a springboard. That calls for them to go beyond leveraging country-specific advantage of low cost and develop firm-specific advantages, preferably one that is anchored in intellectual capital. Cost and quality competitiveness have today become qualifying conditions. Intellectual competitiveness, competitiveness anchored in difficult-to-imitate knowledge, defines the winning conditions.

**LEVERAGE INDIA ADVANTAGE THROUGH GLOCAL APPROACH**

**Habil F Khorakiwala**
Chairman & MD, Wockhardt Ltd.
Mumbai

The single biggest driver behind the globalization of Indian companies is the liberalization process ushered by the government in the early 1990s. Liberalization did several things. High tariff walls were lowered, encouraging imports and opening up the domestic market to international competition. Foreign companies were encouraged to set up shop in India exposing Indian companies to global products and practices. Liberalization also allowed more Indians to travel abroad for business and pleasure.

All this led to a great churn in the Indian industry—on the one hand, companies started upgrading quality of their products to compete with the world’s best; at the same time, they innovated to cut costs and become globally competitive. Good policies often beget unforeseen beneficial consequences. Overseas companies, which came to India to tap the large Indian middle class market, discovered India’s potential as a low cost but skilled production base to tap overseas markets. Automobiles and auto component industries are perhaps the best examples. Companies like Hyundai have made India a global hub for small cars.

The realization of India Advantage emboldened Indian companies to aggressively explore offshore markets. Let me give the example of the pharmaceutical industry. The cost of setting up a modern pharmaceutical plant in India would be one-sixth of what an identical plant in Europe or the US would cost. It is not a question of wages as often made

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In addition to the traditional stimuli of opportunity exploitation and capability leverage, peer influence that is pan industry in character seems to drive Indian firms to go overseas!

**Our management costs, our scientists, our legal brains — all of international calibre — offer a cost to value proposition that cannot be found anywhere else in the world. Even overseas companies have recognized the India Advantage.**
out. Our management costs, our scientists, our legal brains — all of international calibre — offer a cost to value proposition that cannot be found anywhere else in the world. Even overseas companies have recognized the India Advantage. Leading overseas generic pharmaceutical companies like Teva and Sandoz have set up shop in India to leverage the India Advantage.

India’s high value, highly competitive resources offer potential in the global market. But, what helped India harness this potential and catapult us to the global stage is Indian entrepreneurship. Our entrepreneurs, many of them first generation businessmen, have been the driving force behind globalization. Look at the pharmaceutical industry — India accounts for less than two per cent of the world market in value terms, despite the fact that we are the fourth largest in volume terms. No ambitious entrepreneur in the pharmaceutical industry can grow big unless he ventures out of India to Europe and the US, the world’s largest and the most sophisticated markets. Companies like Ranbaxy, Dr. Reddy’s, and Wockhardt could not have grown to what it is today if they had not successfully tapped global markets. Against the backdrop of India joining the global patent regime with effect from January 2005, today, every player in the pharmaceutical industry is looking at harnessing its inherent strengths to global advantage as a matter of growth as well as survival.

Each nation has its country as well as industry-specific advantages which it tries to leverage. India is a significant manufacturing base for the pharmaceutical industry — we are the world’s fourth largest producer of pharmaceuticals in volume terms. Indian companies live in an intensely competitive environment. Most Indian companies make their own bulk actives. After liberalization, Indian companies have built R&D capabilities that have enhanced their innovative ability. Indian pharmaceutical industry today is a knowledge intensive industry. Indian companies also have the advantage of access to the Global Indian — scientists of Indian origin play a significant role in leading pharmaceutical and biotechnology companies worldwide. Indian companies have acquired over 15 companies in Europe and the US over the last 10 years. I do not think any other country can compare with India against this backdrop, not even China.

‘Going global’ and ‘Going international’ are entirely different. For going ‘global,’ one requires a global mindset and global aspirations. Becoming ‘international’ historically meant supplying out of India. You do not have to be globally competitive in the true sense to export out of India. In some areas, you may not be globally competitive. Going international only means leveraging some country and company advantages to tap overseas markets. That does not make you a global organization. These advantages may not last long. It is a slow, limited process of growth. You can fumble. You can be rebuffed. Your terms of reference are different. In one case, you are investing for long-term global competitiveness. You can be an international player without having a global mindset and without creating a global organizational system.

Indian pharmaceutical industry has one of the world’s richest resources — in manufacturing, research capabilities, and entrepreneurship. Our industry has capacities and capabilities across the value chain and, what is more, we are cost-competitive across the value chain. We have taken two approaches in our quest to become a global organization. One pertains to our acquisitions. The second pertains to the larger issue of creating a global organization. In the case of acquisitions, we follow a ‘glocal’ approach. When it comes to management processes, manufacturing, information technology, human resources and supply chain, we follow a uniform system that is global. This helped Wockhardt become a globally competitive, seamless organization across geographies. We get the value of efficiencies borne out of global buying. We do not have to reinvent the wheel. The same language of management thinking rules the entire organization.

At the same time, we follow a local approach when it comes to sales and marketing. In each market, whether it is the UK or Germany, distribution systems and the like are dynamically different. So when it comes to sales and marketing, our approach is customized for local markets. As far as the US is concerned, we have created
an organization called Wockhardt USA, Inc. that handles sales, marketing, regulatory affairs, and IPRs. Wockhardt’s Indian operations serve as the research and sourcing hub for the American organization. We follow a similar approach in Russia and South American countries like Brazil. Same is the case in Africa. In other countries, we export out of India with sales and marketing people stationed in these markets.

ESCHEW SHORT CUTS AND RETAIN THE INDIAN ‘DNA’

Jerry Rao
Chairman & CEO, Mphasis Ltd.
Bangalore

For the Indian companies operating in IT and allied sectors, the markets overseas are the primary ones and going overseas is not a choice but an essential pre-condition of being in business. It makes sense for American companies to talk about going overseas or for that matter about not going overseas. They have such a big domestic market that it is entirely possible to grow without going overseas. Given the small pigmy-sized domestic markets we have and if we accept the truism that the absence of growth will lead to decay, Indian companies have no choice except to pursue growth aggressively beyond our borders. Incidentally, the reverse is possible. An Indian company can focus almost exclusively on overseas markets and grow handsomely. Many Indian IT companies have followed this strategy. In the days of the permit-licence raj, the regulators of the ubiquitous Indian state almost always insisted that Indian companies should set up capacities to ‘meet’ the demands of the domestic market. Going overseas, literally even travelling overseas was a torture as ‘scarce’ foreign exchange was only doled out for government-approved missions.

Having spent close to half a century in a hothouse atmosphere, we find ourselves ill-equipped to deal with the world outside our desi cocoon, hence the prevailing academic and journalistic interest in the phenomenon of Indian companies going overseas. At one end of the discussion is the legal structure, the choice of branches, subsidiaries, joint ventures, greenfield ventures or acquisitions and so on. At the other end is the so-called issue of ‘culture’ — what is the culture we need to succeed overseas; what are the unique challenges faced by these intrepid adventurers, and so on.

As students of economic history, we must realize that there is nothing unique about our actions or motives. We too go in search of markets, market shares, revenues, inputs, and profits. We are no different than Dutch or Swiss or Japanese or Korean companies all of whom have gone in search of the ‘bigger pie,’ having decided that their domestic wells were too small for them. Being followers, we are lucky. We can and we should study the empirical data on the successes and failures of our professional forebears.

Some findings are obvious: if you genuinely seek global positioning and global market shares, then the interim steps of joint ventures and partnerships are out. They are meant for those who see the outside world as peripheral, as good for a low risk flutter, not as crucial in the search for global importance (did I whisper the expression global dominance?). Those who drop the expressions ‘domestic’ and ‘overseas’ and opt for the phrase ‘global markets’ have no choice but to venture out as full-fledged hundred percent owned/controlled branches and subsidiaries with overarching global brands.

As far as culture is concerned, it seems to me that the attempts to alter an organization’s DNA in order to meet the so-called prescriptive needs of overseas markets will be a serious mistake. Organizations have to be faithful to their core DNA if they wish to succeed. This does not mean that the genetic code does not evolve, with time and with unfolding of the organization as it grows and spreads out much in the way that a biological organism does.
‘Going overseas’ is not an option, going ‘global’ is an imperative if the Indian company seeks growth. If it seeks global market relevance, it has to be in its own right building and flaunting its own brands. Partnerships and JVs will not do. The culture of the organization must be faithful to its genetic make-up where brand building and distribution are critical for their success.

Aptech pioneered, along with New Delhi-based NIIT, the IT education in private sector. The intent was to exploit the gap between the fast growing demand for IT professionals and the output of formal education sector. The franchisee and centre approach provided the wherewithal and impetus for rapid expansion from around 1990. Aptech increased its network to cover most of the country and set up the first overseas centre in Bahrain in 1994. The major breakthrough was China where Aptech entered into a 50:50 joint venture with Beijing Beida Jade Bird Company, an associate of Beijing University. Today, Aptech’s international operations account for about one-third of the business with close to 300 international centres.

Aptech’s foray in the Chinese market has been a highly successful one aided to a large extent through its strong joint venture partner. The joint venture — with Aptech providing the model of education, course content, and managerial guidance and the Chinese partner looking after government regulations and day-to-day management — is guided through board meetings with Aptech chairing the joint venture. Aptech has approximately 110 centres in 57 cities and has trained over 50,000 students in Mandarin. It is present in 20 of the 26 provinces in China and some of the best companies, both related to IT and otherwise, have selected Aptech students for their companies. Some of the learnings that can help companies succeed in China are as follows:

- **Partner:** If a company is contemplating entering

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**SOUND PARTNER AIDS REACHING RETAIL CUSTOMER**

**Pramod Khera**
Managing Director, Aptech Ltd.
Mumbai

Indian companies are looking at the overseas markets because they have understood that success in the domestic market does not ensure sustained success. Globalization does not just mean that there are opportunities for Indian companies outside the Indian shores that they can exploit; it also means that global companies have opportunities in India. The Indian market is increasingly becoming global and Indian companies have to succeed domestically and globally if they want to survive and grow. Hence, in many cases, international businesses are being developed by Indian companies in order to gain economies of scale and to de-risk their dependencies on limited domestic geographies and markets *vis-à-vis* their global competitors.

Companies from the less-developed countries, like India, face a difficult and challenging task in going international but not an impossible one. There are examples of successful companies from developing countries like Taiwan’s Acer (tiny start-up electronics consulting company growing into one of the world’s largest manufacturer of PCs), Mexico’s Cemex (competing with world players in the cement industry), Philippine’s Jollybee (taking on McDonald’s across the world), Brazil’s Weg in the electrical motors market and India’s Ranbaxy, Infosys, TCS, and Wipro. The Indian companies mentioned above have built strong international businesses on a powerful value proposition — competitive quality at low costs. These companies have operated in a direct selling environment where decision-making is by corporations based on a rational buying process. They do not operate in markets like FMCG or IT education — the ingredients that have been created so far — but must adapt to the new growing, expanding global habitat where the company now chooses to live and try to succeed. A mixture of metaphors with a streak of audacity in it .... a starting point of the journey. ✿
China with a partner, selecting a partner with credibility and standing is important. The government has an undoubted hold on all enterprise. Hence, a partner with linkages with the government is the most ideal. Beijing Beida (Beijing University) is a premier education institution in China. It has a good local standing and reputation. Beijing Beida Jade Bird Company, Aptech’s joint venture partner, is an equally focused and receptive partner.

- **Local knowledge is power:** The Chinese believe that most foreigners do not understand them and their country, and that is why they do not succeed. Succeeding in China is all about understanding the country — its history and its past (in terms of communism, Maoism, closed economy), psyche and mentality (follow the leader, never question the governance, limited risk taking ability, lack of an entrepreneurial culture), culture and social framework (traditions, traditions, and more traditions, e.g., significance of colours, toasting a drink with a boss), and political environment (communism and bureaucracy).

- **Language:** Some knowledge of Mandarin would always be useful, both to impress as well as to comprehend. Most Chinese can read and write some amount of English, but lack the confidence to speak it, especially in front of a foreigner. Hence, negotiations in English put the Chinese at a slight disadvantage.

- **Localization:** In terms of products offered (courses), the method of delivery (example-based learning), and the medium of delivery (language), adaptation of the business model to local market conditions also assumes significance. Understanding the target audience helps in the localization effort. In China, Aptech found that the students were more attuned to step-by-step thinking and not multi-tasking. Accordingly, the pedagogy of the curriculum design was amended to address these learning objectives.

- **Moving up the value chain:** Schools and colleges have been licensed content and provided support for classroom delivery. This has enabled Aptech to move up the value chain and keep ahead of competition. This has also helped retain and build the partner’s dependability on Aptech.

- **Merge in local milieu:** Whilst India is known for its software and IT supremacy in the media, Aptech has been positioned as a local player with the best quality and understanding and not as an Indian company.

- **Negotiations:** Doing business in China is all about negotiating. There are three stages of doing business — pre-negotiation, formal negotiation, and post-negotiation. The pre-negotiation stage includes presentations, lobbying, and trust building. Formal negotiation involves task-related exchange of information, persuasion, concessions, and agreement. Generally speaking, the Chinese honour their agreement and commitment. However, being a very large country with its experimental nature of reforms, unevenly developed infrastructure, scarce natural resources per capita, and large bureaucracy makes most people want to keep re-negotiating situations. Hence, very often, with the signing of an agreement only begins the process of negotiations in China.

In conclusion, the oft-repeated cliché — ‘Think Global, Act Local’ — has been one of the biggest learnings for Aptech in its global, especially Chinese quest. Aptech has moved beyond being an education franchiser and has moved up the value chain with new technological and educational innovations, i.e., content services and ‘online portal development.’

Building downstream capabilities, knowledge of the market, local laws, and client relationships are essential but developing these can be expensive for an organization. However, these can be expensive for an organization. Franchising provides a very effective method for acquiring downstream capabilities and penetrating a market effectively. Strategic alliances like the one with Beijing Beida in China have brought in a new perspective to Aptech, especially about the recognition of role that it is playing in developing the education and IT infrastructure in the host countries.
Infosys is building a global brand. The effort is noteworthy not only because there are so few successful Indian brands on the world stage but also because it represents a marriage of two of India’s key competences — information technology and marketing. Indeed, India has enormous marketing talent and a reasonably good track record of building brands locally. Nirma, Bajaj, Titan, Mother Dairy, and Dabur are complemented by Lifebuoy, Lipton, Dettol, and Colgate as brands built in India by the Indian talent. The marketing of these brands has always been local even if the products and the initial brand concepts for some of them were imported. In recent years, as liberalized imports have opened the market to a flood of new entrants, many a business has been launched and grown on its marketing acumen. The business of consumer electronics, for example, has Onida, Videocon, and Baron International building businesses on the strength of their marketing while relying entirely on ‘outsourced’ R&D and manufacturing from companies such as Sony and Samsung. The computer hardware business is another example of business models founded on downstream activities — marketing, sales, distribution, and after-sales service. All of this marketing activity has led to a considerable pool of marketing talent and capital among Indian firms and managers. It is not surprising then that even the most centralized foreign companies entering India quickly learn to entrust marketing to local managers and that the most savvy international marketers quickly come to recognize the formidable local competition they face in India. Indian marketers know not just marketing; they also know their market. They are not just a less expensive resource than expatriate managers; they are better at marketing in India.

On the global stage, these marketing strengths clearly differentiate India from other emerging economies such as China and Russia. Those markets have only recently reformed their centrally planned economies. They lack a history of marketing. Even a few years ago, few Russian or Chinese brands had been built on the strength of marketing (although that is changing rapidly) and multinational firms operating there still tend to employ expatriate managers to handle marketing strategy and planning. Indian managers, by contrast, are strong on marketing.

Yet, India’s marketing strength is conspicuously absent from the global stage. If India has such abundant marketing talent, why have so few Indian brands ventured abroad? Why have Indian companies not leveraged their marketing advantage to compete internationally? Why do Indian brands not adorn the shelves of supermarkets in consuming countries? Why do Indian goods still compete as commodities in price-driven markets at the bottom of the value curve? What prevents Indian companies from leveraging their marketing competences outside of India?

Aside from the usual rich-country predilection for protectionism, two inter-related reasons come to mind: knowledge and means. Marketing is a downstream activity that requires intimate knowledge of the market. For the same reason that multinationals operating in India prefer to hire Indian managers, these managers’ talents do not necessarily translate abroad. The Indian managers’ marketing knowledge and knowledge of the Indian market are intermeshed. Separating them and applying the marketing knowledge to a foreign market is not easy. This is not to say that Indian managers cannot learn about foreign markets, but rather that learning is an expensive activity that requires tremendous

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commitment and large investment. Opportunistic exports and market entry without a long-term brand building plan are not conducive to building that foreign-market knowledge.

Indian brands may be formidable competitors locally, but abroad, where they are unknown entities, they have to work very hard to stand out in a crowded field. Indian managers do have the marketing talent to sell abroad but they lack the means to establish brands in markets where media are fragmented and do not come cheap; any decent share of voice requires a substantial investment.

But what of the parade of strong Indian brands? Well, what of them? Despite satellite television and spillover of other media to other countries, Indian brands have dismal awareness and even more limited appeal to consumers there. In the Persian Gulf region, Indian brands may look like they are doing well, but this is brand leveraging, not brand building. Indian brands in the Gulf region rely on awareness and loyalty created in the home market. They are simply exporting to consumers who have been previously exported to these markets. To truly do well abroad, the brands would need to be (re)built to suit the requirements of local consumers in foreign markets. This is far more expensive than the brand leveraging currently practised. Few Indian brands have succeeded in replicating their home market success abroad. Even Titan Watch’s valiant attempt to build a brand in Europe disappointed.

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Brand building requires enormous fixed investment before a single unit of the product is sold. This means, the brand builders must not only have deep pockets but a considerable appetite for risk. Few Indian firms have been willing to take the bet. This is not surprising. There is a chicken-and-egg problem here. It is not easy to take on the costs of building a brand abroad without prior experience in brand building in foreign markets.

So is Infosys making a huge mistake? I would not bet on it. Betting against Infosys has not been a profitable game in recent years. Infosys has certain advantages. It is building a brand in an industry in which the needs of customers are fairly uniform across the world. Its brand needs little adaptation for different country markets, reducing the costs and risks of brand building. The company knows the needs of its customers and has already made a significant operational commitment to delivering to world-class norms. Brand-building is a natural extension of this functional ability. Infosys is already a credible player in the global market. Therefore, brand-building is as much a means of consolidating its position as it is of attracting new customers. Finally, Infosys has the deep pockets required and is willing to take a bet not just on its superior product/service offering but on its marketing talent. Will its branding lead be followed by Indian firms outside the information technology space?

**ASPIRATIONS OF GLOBAL LEADERSHIP IN MANUFACTURING**

**B N Kalyani**  
Chairman & MD, Bharat Forge Ltd.  
Pune

Bharat Forge Limited’s (BFL) journey towards becoming an international player began in 1997. Three factors determined our need to go global. First, we appreciated what globalization could do to improve quality, delivery, costs, supply chain, R&D, productivity, and business processes. We, therefore, wanted to venture out and learn best practices. Second, while we had sufficient faith in domestic demand, we wanted to grow beyond the Indian market. Third, we recognized that different geographies often follow separate business cycles. We wanted to not only reduce our over-dependence on a single market but also take advantage of different growth opportunities across varying geographies. Now, we are India’s only forging company supplying globally and the country’s largest exporter of auto components.
Contrary to popular perception, outsourcing is not limited to IT. In the emerging international scenario, the potential for growth of global outsourcing in manufacturing could very well outstrip that in IT and IT related services. In this, automobile components play an important role. Moreover, most automotive OEMs and their Tier-1 suppliers have begun to understand the ‘India Advantage’ in auto components as well as other products that have relatively high engineering and design content. We feel well positioned to leverage these outsourcing opportunities.

Bharat Forge has the largest single location commercial forging facility in the world and we are moving up the value chain — from raw forging to machined components and to more complex sub-assemblies. In early stages, the approach was to increase market size by exporting to overseas markets. However, in the recent past, the company started realizing the need to have international manufacturing facilities — especially in Europe, where automobile companies prefer component manufacturers to be located close to their factories. In early 2004, we acquired a German forging company which provides close synergies in terms of production facilities, geographical coverage, and customer base. This acquisition makes us the second largest forging company in the world. It also provides us access to the huge market for passenger car components that will synergize with our strong global presence in engine and axle components for medium and heavy commercial vehicles.

Moving on to Indian industry as a whole, the ten basics to compete in the global market are:

- produce world class quality (e.g., software, pharmaceuticals, auto components, etc.)
- build international scale capacities (e.g., Bajaj Auto, Hero Honda, TVS)
- leverage India’s low cost advantage (e.g., software, pharmaceuticals, auto components)
- develop strong product development capabilities (e.g., Indica, Scorpio)
- expand size of domestic market to provide foundation for exports (e.g., Bajaj Auto, Indica)
- become a global base for exports of manufactured goods (e.g., auto components)
- build Indian MNCs (e.g., Infosys, Ranbaxy)
- enhance competency levels (e.g., manufacturing clusters at Surat — gems and jewellery; Tirupur — Textiles; Pune — Auto components)
- radically improve quality of infrastructure (e.g., telecom, roads, power, ports)
- design conducive government policies (e.g., Special Economic Zones to overcome constraints, of infrastructure, e.g., labour and be the means to attract huge domestic and foreign investments).

Government and industry have to build a strong partnership and create conditions for Indian companies to become global MNCs. The Japanese have been particularly successful in this and we can emulate their example. Today it is a matter of great pride and satisfaction for Japan to see Toyota Motor Corporation, which till a few decades ago was a fledging company, to be ranked the second largest automobile company in the world. If Toyota could do it, I see no reason why at least five to six Indian companies cannot acquire global leadership in their businesses in the next ten years.

Innovation is the key to real growth and unassailable competitiveness. To produce more growth per dollar of investment, a company must produce more innovation per dollar of investment. Companies can improve innovation efficiencies by:

- raising the ratio of innovations to total number of employees (foster a culture in which innovation is encouraged across the organization and not restricted to only the R&D department)
- raising the ratio of radical innovation to incremental innovation by focusing on changes that change customer expectations and behaviour (e.g., wireless money transfer), basis of competitive advantage (e.g., digital cameras) or industry economics (e.g., no frills airlines)
- raising the ratio of learning over investment in

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innovation projects (focus on low cost experimentation vis-à-vis high cost product testing and development).

The key enabler for competitiveness for Indian companies is our large capacity of ‘brain power.’ This needs to be carefully nurtured and expanded. Other factors that will contribute to our competitiveness are emphasis on IT-based technologies in manufacturing, engineering, and product development and training to improve marketing skills required to create delivery systems for global customers.

Forces of globalization — the search for more cost-effective locations for production — can make India a huge global manufacturing and supply base. We are the only country that can compete with China with some important advantages — a more familiar and predictable legal system, better protection of IPRs, and strong English language skills. In auto components, Indian companies are projected to be able to meet 35 per cent of the global demand for auto components by 2015. Several other sectors hold the same promise. The world is beginning to believe in India; we need to believe in our ability to compete, perform, and succeed!

CONCLUSIONS AND IMPLICATIONS
Rajnish Karki

The contributions present an extensive exploration of the phenomenon of ‘Indian companies in overseas markets,’ which is multi-faceted in terms of activities and issues and is variegated among industries and companies. As the proportion of Indian companies engaging substantively with overseas markets is not more than a tenth, and for these too the experience is less than a decade long, these are very early stages of the phenomenon. However, the breakthroughs and aspirations of Indian companies that have ventured overseas portend major two-way engagement between Indian business and the world economy. The context of overseas expansion of Indian companies is different either with respect to American and European companies or Japanese and Korean companies and so the process will be unique and could be unprecedented in terms of pace and impact.

The Colloquium does identify some issues and patterns. These are analysed for extending and drawing implications and for addressing apparent contradictions. Major conclusions on the phenomenon of ‘Indian companies in the overseas markets,’ which can be converged upon are as follows:

• From comparative to competitive advantage: Historically or till about 1990, the engagement of Indian companies with overseas markets was with the export of traditional products like tea, coffee, iron ore, leather, apparel, gems and jewellery, etc. These were based on natural endowments or on first-level comparative advantages of India and the companies played a role of little more than intermediaries or traders. There was a shift during the previous decade when companies found and deployed second-level advantages — availability, lower cost, and skills of the technical and scientific manpower in India. The second-level advantages, though comparative in nature, required creation of complementary capabilities in sales and marketing and in production systems which needed to be evolved within the companies or firms. Software companies that primarily operated with posting of professionals in overseas assignments or ‘body shopping’ till the mid-1990s started moving to projects and offshore production units by late-1990s. As a result, companies moved beyond India-based comparative advantages to create firm-based ‘competitive advantages.’ The competitive advantages are more expandable in terms of scale and scope as they are governed by the competencies developed within a company and the aspirations of its top management. The trajectories are relatively similar in case of pharmaceuticals and auto components companies, though on a smaller scale.
magnitude and with a lag of few years, and many other industries are likely to move along the path in coming years. While India-based comparative advantages are critical for entering international markets and may remain important long after, overseas expansion of Indian companies is now primarily based and driven by firm-level competitive advantages. This makes for emergence of globally significant Indian companies and for enlargement of phenomenon of overseas forays to new industries and companies — having perhaps weak or no India-based comparative advantages.

- **Favourable ‘push’ and ‘pull’ conditions for overseas successes:** For an increasing number of industries, Indian business is reaching the point of having global advantages on all the four determinants (Porter, 1990) — favourable factor conditions with respect to natural resources, skills, capital, and infrastructure; demand conditions in domestic market comparable to that overseas in terms of presence of global players, quality of products, and customer expectations; presence of ancillary industries and supportive skills like finance, banking, and legal; and, intensity of competition and aspirations of looking beyond domestic markets. This is best illustrated by the intent of highly diversified Tata group which is committing itself to building overseas operations in each of the businesses — besides software, from automobiles to steel, chemicals, hotels, watches, branded tea, and consultancy. The four determinants tend to have a bandwagon effect in a country on two counts — one, stoking aspirations among other players as the pioneers in an industry start operating overseas, and two, facilitating creation of suitable conditions in other related industries. On the ‘pull’ side, from the situation of Indian origin being a handicap and often a disqualifier, the world has come to acknowledge ’India advantage.’ The rub-off effect of software successes on perception of Indian companies is significant as evident from India starting-off virtually as the first and most credible choice when outsourcing of professional services to overseas destinations emerged at the turn of century. In outsourcing of services, India is currently not only the leader but also the potential is barely scratched currently. Outsourcing of manufacturing seems to be and can ride on the formidable positioning created in services. On the other hand, the globally competitive companies that emerged during the last decade have the critical mass to go up the value chain and become leading corporations in the world and be rooted in more substantive and enduring higher-level competitive advantages of intellectual capital. These favourable conditions could mean crossing the tipping point for Indian industry at an aggregate level when being present and competitive in overseas markets is not out of ordinary but a regulation choice.

- **Three strategy types for Indian companies in overseas markets:** Based on the product markets and the current size and proportion of overseas business, Indian companies are following three strategic trajectories. The first is ‘outsourcing,’ where the domestic market is relatively either very small or unattractive, e.g., Software services, business process outsourcing, and pharmaceutical clinical trials, or the company has made a choice to be primarily focused on overseas opportunities, e.g., Sundaram Fasteners and Bharat Forge. The second overseas strategy type is ‘internationalization,’ where companies are aiming to expand market or balance business downturns and risks of domestic market, e.g., Jindal Iron and Steel and Bajaj Auto. The third type is ‘multinationalization,’ where companies having substantial overseas business and after operating for a few years are aiming to create sustainable competitive position in several geographies, e.g., Wockhardt, and Asian Paints. While internationalization and multinationalization broadly fall into a continuum and follow traditional models of overseas expansion (Hymer, 1976; Hamel and Prahalad, 1985), outsourcing is a new strategy type made possible by developments in information and communication technologies. No strategy type is intrinsically
superior and a major proportion of Indian companies will be following the first or the second type and increasingly larger number will be evolving into the third type. However, the requirements and imperatives of being successful, for the individual types, are distinct.

- **Differing requirements of the institutional and the retail customers**: Outsourcing strategy type companies in most of the cases do business with institutional customers. These customers are generally corporations who use the outsourced service and manufactured product as part of their value chain or final output. The relationship is based on references and track record, so brand plays virtually no role. Besides, the customer wants to interact directly and requires a certain comfort level and predictability, so the joint ventures as an intermediary is generally not viable. However, brand, local knowledge, and distribution reach are important for success when a company deals with retail or individual customers overseas. As these call for large investment of time and resources, the joint venture is a useful route. The speed of entry and expansion resulting from joint ventures can outweigh the costs related to coordinating divergent interests of partners and the fears of one partner capturing adverse share of value (Inkpen and Beamish, 1997). Marketing alliances can be useful in internationalization strategy as in the case of Tatas and Rover for sale of cars in the UK. The alliances can be more broad-based in the multinationalization strategy as shown by the highly successful and stable Aptech’s China joint venture.

- **Organizing for growth and capability building**: The debate on organization of global corporations have revolved around two conflicting requirements—‘pressures for global integration’ and ‘pressures for national responsiveness’ (Prahalad and Doz, 1987). An organization needs to choose to focus on one by going for either global product-based or geography-based structure. When both integration and responsiveness are essential, then a management systems and processes led ‘transnational’ organization is proposed as a solution (Bartlett and Ghoshal, 1989). The debate though germane is of limited concern to Indian companies as they are in very early or entry stages of overseas activities related to which unfortunately there is little research work (Westney and Zaheer, 2001). Structure for internationalization companies is relatively simple as they would tend to operate with one or more overseas or export functions. Multinationalization companies will tend to go for a few centralized functions like research, finance, IT systems, and human resources to provide for integration benefits and geographically defined sales and marketing functions for local responsiveness. Outsourcing companies will have operations and customer service functions centrally located though grouped as per customer or technology segments and sales and marketing teams directly led by top management. However, organization designs will tend to be flexible for seeking opportunities and incorporating learnings and some level of institutionalization around roles will follow as overseas operations reach a degree of stability. A ‘dual-core’ organization could be appropriate for some cases with one core tuned to entrepreneurial risk taking and frontier expanding and other core for managing stabilized activities efficiently. One can be only approximate in defining
a country’s culture (Hofstede, 1980; House, 2000), and more so of a diverse country like India. In any case, a national DNA cannot be an adequate guide (Graham, 2001) for understanding or designing organizations. As the locus of competitiveness is primarily at the firm level and as there are wide differences in operating requirements, the Indian companies should define their own appropriate culture—dependent on size of business, nature of products, market characteristics, etc. An Indian organization will always have undeniable and salient imprint of its origin. However, cultural components should preferably be defined clearly in terms of desired and undesirable aspects and they should be allowed to evolve in a directed way.

- **Critical role of conviction-laden leadership:** A common element across all the Indian companies that have made overseas breakthroughs is the presence of a strong leader who believes in the ability of the organization to succeed in international markets and who creates the necessary business and organizational wherewithal. The leadership approach is clearly pioneering and innovative (Khandwalla, 1987)—moving into unchartered waters but also covering for the risks, through setting high standards of performance and organizational functioning.

Strong and conviction-laden leadership will continue to be essential for the success of Indian companies operating in overseas markets—whether they are starting to enter overseas markets or moving along the long journey of building upon the breakthrough of previous decade. However, the number of leaders who can inspire other individuals is increasing which was not so when Fakirchand Kohli of Tata Consultancy Services and Parvinder Singh of Ranbaxy started going overseas. The presence of inspirational experience and learning, while providing for basic confidence, is not a substitute for inherent risks and protracted challenge of creating sustainable positions in international markets. The leadership traits of being clear, fundamentals oriented and planned, need to be supplemented with international orientation and preparedness for longer haul for taking an Indian company successfully into overseas markets.

This colloquium intensely covers most of the critical aspects and touches upon a majority of concerns. Some of the areas that remain inadequately dealt with relate to managing for the market and financial risks which fortunately are not very different than in case of domestic markets. To conclude, the phenomenon is being driven by the two metatrends—the process of liberalization and globalization of Indian economy and the transforming impact of information and communication technology (ICT) on the world of business. While the first trend has just started manifesting itself in overseas expansion of Indian companies, the second trend positions and embodies them with powerful competitive advantages internationally. The events of last decade are just a beginning towards the emergence of Indian corporations that operate worldwide and, more importantly, hold significant and leading positions globally in a large number of industries.

**REFERENCES**


*For so work the honey-bees,*
*Creatures that by a rule in nature teach*
*The act of order to a peopled kingdom.*
*They have a king and officers of sorts;*
*Where some, like magistrates, correct at home,*
*Others, like merchants, venture trade abroad,*
*Others, like soldiers, armed in their stings,*
*Make boot upon the summer’s velvet buds,*
*Which pillage they with merry march bring home*
*To the tent-royal of their emperor;*
*Who, busied in his majesty, surveys*
*The singing masons building roofs of gold,*
*The civil citizens kneading up the honey,*
*The poor mechanic porters crowding in*
*Their heavy burdens at the narrow gate,*
*The sad-eyed justice, with his surly hum*
*Delivering o’er to executors pale*
*The lazy yawning drone*

*William Shakespeare – King Henry V*