

## UKIBC Case Study

# ADVAIA – CULTURAL UNDERSTANDING TO DOING BUSINESS IN INDIA

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### Introduction

I had grown up in India, and gone to school and university there. After working for 20 years in Europe as an accountant, I returned, for the first time professionally. The project was setting up a finance shared service centre for a major communications company. I'd done exactly the same project once in Madrid, and once in Holland. The first took five months, the second took seven months. It was exactly the same project in India, and I allocated it one year. It took three years, to run successfully. Not that we didn't have the systems, procedures and processes. I went with standard systems. We'd already done this twice over. We were pretty sure, almost arrogant, that if we ran the business one way across the world, then we should be able to do exactly the same in India. It took a year and a half for me to realise personally, despite being Indian and having constant contact with Indians in business, that the key to it was trying to understand the cultural difference in the way that business was done in India.

### Relationships

One of the first reasons was how important relationships are. Where does your sense of loyalty lie? In the West, it's to the company, and society as a whole. In India it depends on who you define your circle to be. It may not be the company so much, as your group. It could be your respective colleagues or family. That's where your loyalty belongs.

In the financial share services office, there was a guy going through a mass of invoices. As in our instructions, he had put them in order, of when he needed to pay them. As in other places, I'd set up a procedure, and key performance indicators, and showed how we monitor it. Then along came a colleague, they had a chat and shook hands, said 'yaar', 'friend', and an invoice was pulled out from the bottom of the pile. What I hadn't understood was the relationship is important.

Another good example is bringing electronic payments. Wire transfers are more efficient. But suppliers were not willing to give their bank account details, even though you sent letters explaining why it was more efficient for them. The reality is, the local supplier actually wanted to come into the office and collect his cheque personally, because that gave him an excuse to shake hands, have a cup of tea and catch up. So now you're taking that away from him, by trying to set up the remote payment. Actually collecting the cheque was his way of maintaining his relationship.

### Processes

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Coming from the UK, you may assume we're more efficient with better processes. People might think India is a market with some learning to do. Actually India is a very mature market. It's not necessarily inefficient. It may look inefficient, but it actually works. And it works very well in India. If you try to apply Western procedures, processes slow down. I was having to force things through, in the way in which I had the backing of head office. Eventually I realised that I was driving inefficient processes. It took me a year and a half to understand how the procedures which had worked so beautifully in the West wouldn't work. It then took me another 6 months to convince people back home. Their response was: 'You're being fooled – stick to your guns. They're coming up with reasons of legal complexity –they're trying to slow you down'.

What we called 'Global Standardized Processes' were really not working. We developed 'glocal' procedures. Localised for India. The key message was that after we glocalised procedures it only took 6 months to implement. In India it is called Jugad – a roundabout way of making something work. How you get it done doesn't matter at the end of the day. You just find a way round it.

## Differences in meetings

When foreign businessmen go into a meeting with an Indian businessman and the phone rings, he may answer it and go out of the room. I had this scenario – I had flown in someone from Europe for a two hour meeting, and this happened, and I voiced my opinion that this was tremendously inefficient and disrespectful to the guy who had just flown in. I told my colleagues in India to ignore their calls because they're in a meeting. The problem they had was that they felt that they were disrespecting the person whose call they weren't answering. In India most people don't have voicemail, and if they do they don't use it. Therefore it's important to take the call, and the best scenario is for them to say, 'Sorry, I'm in a meeting and will call back'. Expecting people not to take a call is actually forcing a Western way of working into India, which makes the Indian uncomfortable.

## Micro-managing

You need to micro-manage. You can give an objective in the West, and someone will empower themselves. There is empowerment in India of a different sort. It comes from the boss, with the instruction of the boss, and with the approval of the boss. If you don't go via the senior to empower a guy, he will be very uncomfortable. When you grow up in India, you are managing a multitude of relationships. Not only do you have an extended family around you, you have drivers, servants, a huge number of different social interests interacting, and each one of those relationships comes with its own laws, its own set of values, and responsibilities. So an Indian has learnt to manage all these relationships. The key thing for him is, you have to maintain face. You can't rock the boat. You learn to duck and dive, and manage all this. That happens in work as well. So he would not speak up against his boss in a meeting, because he has to maintain face. He's not going to rock that relationship. So if a foreign person goes in and has a meeting with a subordinate, and drags that person into a meeting with their boss, and the subordinate to speak up against the boss, it's not going to happen. But if you think the guy's weak,

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that's nonsense. He has his own strength. He's just not going to rock the boat.

## How to begin

Be very flexible. You need to build a relationship, but in a natural way. You don't build a relationship by walking in, shaking hands and asking if they're married and how many children they have. That all comes much later on. Ease in. Be flexible on your agenda. Planning an agenda where you spend 15 mins on this, 20 mins on that, and then wrap up, is not the way to do it. You come, sit, relax, have some tea, ten minutes of chit chat, then you get into work. If it doesn't finish at a set time it doesn't matter. So be easy going, is the key thing there. Bear in mind the empowerment aspect, bear in mind that Indians may be late for meetings. In the Indian view, time has a manner of repeating itself, and is not viewed so linearly as in the West.

## But can't things also happen very fast?

That's the famous Jugad. We got the job done in 6 months in the end – 13 locations covering 26 states. It was incredible. Once people had bought into it, the commitment and the drive were fantastic. We had a kick-off meeting scheduled and there was tremendously heavy rainfall. I thought that there was no way the meeting could happen and that we'd have to cancel. I was wrong. Everybody flew in. People just came. They had decided that it was going to happen, so this meeting was important. That sort of thing only happens when you give people respect. Let them be. Let them walk in and out of meetings. Why can't a meeting that's scheduled for two hours take three? That assumption that we have of linear progression doesn't apply. Indians can multi-task beautifully. They can do four or five things at the same time. Forcing a linear method of working – step 3 after 2 – in India you'd be doing one, two and three at the same time. It all comes together. At any one point of time it looks chaotic, but someone will be getting it done. If you drive the step process, people become uncomfortable. They can handle the three steps at the same time, and will give you the result in the end.

## People new to business in India often complain of red tape.

If you have the knowledge and relationships, and people in the right places, it is actually quite easy to start up companies and set up. If people want to bog you down in legal complexities, they surely can. But if they want to take you through them at a rapid pace, they also can, and that's where finding the right people counts. Procedures are quite standard; quite simplified.

## How do you meet the right people?

Networking. You need to have local Indian partners / colleagues. People you've done business with before. Personal relationships and trust count. If someone says you should use someone because they're good, you've got to go with that. Once you build a relationship with one guy, you're safe enough to think that any relationship that guy brings in is ok, as that's probably your only option.

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## Why did you begin your company Advaita?

It is about sharing knowledge. I've teamed up with four people like me who have had experience in setting up businesses in India. Some have chosen to live there, and run a business. They would like to share that experience. Our training is about how to do business, what the things that you should look out for are, to read the signs earlier on in a business meeting to see when you will get co-operation. Remember it's about maintaining face again- they will try to make you feel things are going well, but you need to be able to read the signs that say, 'I'm actually not going to get what I want here'. So we give people role plays, scenarios, we have video clips that we've done. Our philosophy is not through powerpoints or slides – all our work is experience based. Once you're in India you're more confident. I'd hate someone to struggle for three years to do what they could have done in one – that's what I did!

## Making agreements

Indians are very smart negotiators. There is a well disguised line between friendship and business. You need to understand what 'yes' means. It can simply mean 'I've heard you'. So you've heard me, but are you going to do it? Remember that Indians are trying to please you. So if it is a real yes, they will give you an effusive 'Yes'. But if it's not effusive, then that may be a no. Avoiding the topic is a no. If you say, 'Can I have your report by tomorrow', or 'can I have your bid by tomorrow', and someone's not ready to give it, he'll probably come up with 'we'll discuss it and let you know'. That means you're not going to get it. Now you've got to find out how you're going to get it. Sit down with them and work it through. Equally you've got to watch the overcommitted under-delivery. That's the other end of the spectrum. Some Indians will, in their effusiveness and desire to please, say yes too readily. Watch the 'Yes' if it's not thought through. You want an effusive yes, but break it down: 'You said that you'll give me this report by 5pm, but let's go through what steps are required here. Who will you get the information from, how long will it take you, step by step – and you'll have it by 5pm. Is that realistic?'. Then they are shocked and realise it's not realistic, so they suggest having it by 7pm. It may actually be the next morning. But they'll get you there. The potential underperformance there is not because they actually want to get you down. In his heart he believes he can do it but you need to think it through. And the obvious under-promise is 'Aaj' – 'it will get done today'. You've got to watch because usually it won't. But if they want to do it, equally they can do it.

## Are these stereotypes?

The stereotype is about traditional India. A part of what it was still exists. But there's another breed, which is India Inc. Which is a modern, business aware India. For example, if somebody was to say that in India people take their shoes off before they enter somewhere, that's a part of traditional India, but you'll never see that in the modern Indian business world. Some stereotypes arise from sects, which don't come into the business place. India Inc. consists of smart Indians, well travelled, equally conscious of cultural differences. Quite often nowadays you'll meet NRIs, Non Resident Indians,

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who have returned, know the Western way of working and yet knows the Indian traditions and will play that as well. If you're dealing with an NRI or a traditional local businessman, expect a different sort of behaviour. The former is not going to be so concerned about being on time. But sweeping statements like 'Indians are always late?' No.

## Conclusion

Always bear in mind relationships, heirachy, face, and the influence of family. An important part of Indian culture is living for now. The only things you're investing for are relationship based – weddings, a flat for your children. The rest is about grabbing what you see now. In traffic you grab the space you see. If you don't someone else will. Don't underestimate the influence of 1.2 billion people, and what that means in terms of resources.

It's important to understand how business works before you go. I'd spent 20 years working in the West. Was I inflexible at first? Yes. Did Indians have a sense of pride and achievement which meant that they weren't going to bend? Yes. There is an assumption that the UK's history with India can help us to do business there. Coming with a mindset is not the way to enter. Be open to a different style of doing business, but achieving the same objective. Be very respectful to a different style. If you succeed in doing business with India there's great potential. At the end of my story, India became the no.1 worldwide financial shared service centres for the telecoms company.

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