

Lunch with BS: Ajit Rangnekar

Left and right

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His parents' ideology didn't attract him but his vision for one of India's best-known B-schools suggests there's a leftist buried somewhere.



Helmet-less, flag-waving youths on motorcycles are conscientiously disrupting traffic in the capital to express solidarity with Baburao Hazare's anti-corruption campaign on a sultry mid-August day. Inside the soothing semi-darkness of Blue Ginger, the Taj Mahal hotel's peerless Vietnamese restaurant, **Ajit Rangnekar**, dean of Indian School of Business (ISB), and I are anxiously asking our server whether they flavour the food with ajino-moto. She checks and assures us that our carefully chosen

order of mushroom crepes for starters and a main course of basa cari, stir-fried greens and steamed rice has no artificial flavouring, writes *Kanika Datta*.

Rangnekar, 64, who took charge of the Hyderabad-based B-school in early 2009, is in Delhi to attend a seminar, part of his wider agenda (he calls it his "overriding passion") to have this unique B-school founded in association with Kellogg and Wharton engage more closely with its alumni. He took over in famously fraught circumstances after ISB's board was hit by serial external crises involving, first, his predecessor N Mohan Rao, who had to resign following the *contretemps* at Satyam, where he was an independent director. Then, director Arun Kumar and founding member and board chairman Rajat Gupta were implicated in the Galleon insider trading scandal. "Hopefully, I have finished my quota," he jokes.

As deputy dean before that and someone closely associated with setting up a school that has built up a solid reputation in an astonishingly short time, Rangnekar is, of course, uniquely positioned for dean-ship. Yet, his position and his three-decade

corporate/consultancy career seem widely at odds with his background as the son of two card-carrying communists — that too, at a time when being part of the Left was considered anti-national. His mother was an MP from Bombay for a while and he remembers his maternal uncle B T Ranadive as a supportive influence. But he also recalls a childhood punctuated by the frequent arrests of his parents and an extended family that distanced itself from his family because of their political leanings. “My friends use to tease me: are you a capitalist communist or a communist capitalist?” he jokes.

At any rate, he got to see the flaws of the Left up close. “The more I saw it, the more I realised that it was one of those classic things — the idea is beautiful but simply not implementable. It expects the purest of pure behaviour from human beings, and it has degenerated into a religion. Even today, when I hear Prakash Karat or Sitaram Yechury talking, I want to say, hello, this is not *Bhagavad Gita*. So what if Karl Marx said something. And 90-plus years of facts and data have not moved them away from that position!”

The absence of sustained parental guidance meant that most of Rangnekar’s early life choices were taken on a whim. The decision to join a bunch of friends to apply at IIT was one instance. His parents were in jail at the time so there was no one to advise him on which stream to choose. He opted for chemical engineering because he was “good at chemistry”. But “I hated it. “Then, to run away from chemical engineering I went to IIM and that’s where I really discovered my passion — operations research. To me, that was ‘wow!’ There’s a classic engineer’s answer — everything can be quantitative, you can put everything as constraints....”

The pre-lunch green tea was poured and Rangnekar betrays his many years in Hong Kong by bending his fore- and middle finger against the table top in acknowledgement — he explains that this is shorthand for the south-east Asian custom of saying thank you by bending the knees.

He was the seventh batch at IIM Ahmedabad and remembers its founding dean Ravi Mathai well. “He was a lovely guy, although we saw very little of him. That’s what I tell my students when they tell me I am never around. I say my dean was never around either!” Certainly his travel plans the day after our lunch would have put any high-flying CEO to shame. But Rangnekar isn’t at all defensive about all this travel — which he admits to loving.

“The truth is, my job is outside, not within, the campus. If I am required on campus, something must be wrong,” he says.

Like many IIM graduates of his generation, Rangnekar had the luck of working in a green field. At ACC, his first post-IIM job, he remembers having a “rollicking time” because “nobody there had experience in operations research”. Those were the bad old days of the Cement Control Order, which fixed prices and he recalls designing a system that would optimise the movement of goods from ACC’s 17 factories so that transport costs could be reduced. This was important because, bizarrely, there was a minimum transport cost factories could claim. “Ultimately the government used that system so at some level I blame myself for helping to continue the cement control order,” he laughs.

At any rate, the system convinced ACC that Rangnekar was the man to groom, so he served a stint in finance. The crepes, which had been enthusiastically recommended by our server, arrive. They look suspiciously like omelettes but are so delicious that we demolish them in short order. The finance stint helped inasmuch as he was given a challenging new job as head of a catalyst-manufacturing plant. “I was not even 30 years old when ACC said go and run the factory and like the young buffoon I was, I took that job. Boy, did I make a mess! ”

The cari and vegetables are served. Both live up to their promise, the delicate flavours setting off the freshness of the ingredients. As we help ourselves, Rangnekar says his life has been a series of “happy accidents” and one of them was to land a job in Hong Kong – “the best place under the sun” – just when China’s massive reforms began. Visiting it every month, Rangnekar got to see China up close and personal.

But ultimately, he chose to return to India for personal reasons and, when Egon Zender approached him and offered him a free ticket to Hyderabad to check out the ISB project he says, “The simple truth is, I fell in love. And in some ways I am still in love.”

He confesses he misses those “bad old days” of early 2003 when there was no full-time dean, the institution was bleeding money and there was a reputation to build — “but there was a group of us and we were determined to make this a success and build something big in India.”

The two early challenges, he remembers, were convincing people

that a one-year MBA instead of a two-year one did not make it an “MBA Lite”. “Second, we understand what to do with a fresh MBA with five years experience but we don’t what to do with someone with five years experience who needs to do an MBA. I must have talked my way around god knows how many hundreds of companies — blah, blah, blah.”

The big test was 2009-10, the year of the board ructions. “When you go through difficult times, you realise the value of what you have created.” Rangnekar says he kept track of three parameters: student applications, placements and how many faculty members apply.

“All those three numbers consistently went up throughout this period,” he says, adding, “it showed us a number of things. First that, you know what, we have become an institution, and not dependent on any individual. Second that we had to make sure our alumni do well because that’s where the recognition comes from.”

Talking about the directorial crises, he says, “Look at it — they were independent directors. Also, when they came on board there was not the slightest whiff of anything wrong with them. Every organisation in the world would have given an arm and a leg and a hell of a lot more to get these people on board. So did we do anything wrong? No. Did they do anything wrong when they were at ISB? Absolutely not. Things happened outside. What can we do?” But he remembers alumni being amazingly supportive. “So was faculty. And recruiters said they didn’t care.”

I change the subject to the upcoming campus at Mohali. Rangnekar says it’s on track for an April 2012 opening. The first date of 2011 couldn’t be met because the original land that the Punjab government had given them had 20 or 30 court cases and it took six months to find an alternative. Did they look elsewhere? He laughs and says Rajshekhar Reddy, when he was chief minister of Andhra Pradesh, offered to give them 100 acres to build one in Tirupati but the board and the Prime Minister’s Office had pretty much pushed for Mohali.

Rangnekar is particularly keen to see Mohali up and running mainly because it will be an experiment of sorts in focusing on four core areas — health care, infrastructure, manufacturing, public policy and governance. “That’s been my main concern going forward,” he says, “We need to think, how relevant are we to the society in which we live.” He elaborates emphatically on

what he's trying to do to build in this relevance, and then, as the meal winds up, jokes, "See, somewhere, the communist element comes to the fore!"