

In Conversation with: Dr. B R Shetty, Chairman, NMC Group, UAE

Dr. M S Moodithaya

• **Management, it is said, is the art of making things possible. Your comments?**

I agree to this viewpoint; I believe that an entrepreneur builds on an idea and works closely with the management to execute this idea. Management's magic touch makes what appears impossible, possible.

• **Let me ask you an old chestnut, are leaders born or made?**

Leaders are people with instincts and decision making abilities at the right time. Individual's capacity to take people along with distinct and unique traits which contribute to their success in life, but the task of

identifying these traits and providing a congenial environment for these traits to flourish, is the handiwork of the grooming that the person gets from his domestic, social, and academic circles. For example, Mr. Narayana Murthy is son of a school teacher, Mr. Dhirubhai Ambani was the son of a dispatcher in a printing press, Mr. Azim Premji, son of a trader in vegetable oils. Our beloved Prime Minister, Dr. Manmohan Singh is son of a poor farmer. My firm belief is that leaders are both, born and made. What matters is how well you nurture your entrepreneurial dreams, looking at every problem coming in his way as an opportunity in disguise.

Dr. B R Shetty, Managing director and CEO of New Medical Centre, Abu Dhabi, UAE is considered as 'citizen' of the world. His contribution to medical care through a health conglomerate under the brand name NMC is today talk of the UAE in particular and the globe in general. What started as a clinical pharmacy in 1973 is today a giant net work of health care with four super specialty hospitals, two major medical centres, and five pharmacy centres spread over Abu Dhabi, Dubai, Sharjah and Musaffah.

As a visionary and astute businessman, Dr. Shetty has taken to financial services sector in a big way. UAE Exchange, the flag ship company, has over 250 offices and 115 correspondent bankers across the world. UAE exchange handles NRI remittances worth nearly US \$ 8 million per day. It is one of the largest financial institutions in Middle East.

Dr. Shetty's foray into a host of other business areas is both insightful and enterprising. Some of those new business opportunities he has ventured into are trading in pharmaceuticals, FMCG, medical and scientific equipments, gold, diamond, jewellery, real estate and so on. Dr. Shetty's state-of-the-art pharmaceutical plant named Neopharma was inaugurated by the then President of India Dr. A P J Abdul Kalam. This plant, first of its kind in Abu Dhabi, has product licensing rights from internationally renowned pharmaceutical companies. This new plant has endeared itself in the Middle East by offering quality medicines at affordable prices.

Dr. Shetty's entry into Nanotechnology, Bio-Technology, Cell therapy and Tissue culture signals his concern for corporate social responsibility. He serves on various committees that look after disaster management. His contribution to cancer foundation run by Imran Khan in Pakistan is noteworthy. He is also a member of various international business councils based in the UAE and has been awarded on numerous occasions for contributions to business and charity.

Dr. Shetty holds the prestigious membership in the advisory board (financial sector), Economic department, Government of Dubai, and the pharmaceutical committee, Dubai. Besides being the Chairman of Abu Dhabi Indian school he served as president of Abu Dhabi cricket council. Two of the business units – Neo Pharma and NMC trading – won prestigious Sheikh Mohammed Bin Rashid Al Maktoum business high performance award. UAE exchange is the recipient of Govt. of Dubai quality award.

Director, Justice K S Hegde Institute of Management, Nitte

• ***What inspires you? How do you create a space for yourself in the competitive business world?***

I derive my inspiration from endlessly serving the society with the urge to continuously do better, be the market leader and always stay ahead of the competition.

• ***If you had to select just one attribute for all your success, what would it be?***

Perseverance would be the key aspect behind my achievements. It is not just in identifying your goals and aiming for them, but in the constant evaluation of your progress and relentless efforts towards the attainment, which determines the success of an individual.

• ***You have always been emphasizing on taking bold decisions. Can you relate any incident which would bring out the importance of acting boldly from your professional life?***

Taking risks and learning from mistakes is an ongoing process in life. Mainly, all my crucial decisions have been based on my innermost feelings and natural instinct. In fact for me, Risk was not even in the dictionary. For each of my circumstances, I seemed to consider the risky alternatives even though there may have been easier solutions available. I always deemed the alternatives to be more rational. Due to the exposure of risks taken at an earlier stage, with time, the level of uncertainty faded. So, challenges are a part of my life, I have learnt to face it with full determination and integrity. For example, I took over UAE Exchange when it was in the hands of friends of mine who had driven it to severe losses. All my well wishers advised me and my family not to get involved as it would ruin my life. But I took a bold decision to take on this debt, to help my friends and all the customers who would have been victims. Once I took

over, I turned around the company and today we are the world leaders in money exchange and money transfer.

• ***In business should we trust the role of instincts or analytical data?***

Decision making in business is interplay of instinct, experience, and feasibility. While experience gives you thumb rules to crack problems, feasibility is based on scientific approaches. However, instinct cannot be ruled out altogether. It would be wise to say that business decisions are to be taken symptomatically, choosing between your instinct, experience and analytical data.

• ***How does your evolution track back to the days you took off as an entrepreneur?***

I had no idea what 'Entrepreneur' meant, until people started referring to me as one. Based on my understanding, I would say it was when I was able to clear my liabilities from the work I did back home and start debt-free, taking on more challenges for myself and the company I worked for, at my own risk. In 1973, I started as the first outdoor salesman (Medical-Representative), in this country. This experience allowed me to remain in close contact with the healthcare services market and its characteristics. In turn, this gave me an insight to the gaps present in the healthcare industry offered to the private sector during those years. The dearth enticed me to Endeavour into setting up of a clinic with diagnostic facilities in 1975, providing support to both the patients and doctors. This was a challenge since the private medical sector was relatively dormant and the United Arab Emirates was yet to be discovered as an attractive place for professionals in the field. To my fortune, I was at the right place, right time, with right opportunity!

Becoming an outdoor salesman in the middle of the desert is also entrepreneurial in nature, especially when it gave me an insight to opportunities. Although here, I did not create a company, but a position in the market which today, thousands of people in UAE hold proudly as their duty.

• You kept on adding new lines of business, cashing on the felt needs of your customers. Can you explain your formula for identifying business opportunities and your corporate growth story?

The bottom-line for identifying a business opportunity is the proper understanding of your market and its environment. Business evolves only when you identify the needs and wants of the market, and the solutions within your capability, which you identify to meet these needs. This has been my business formula. As I had a hospital we needed to cater for the patients as well as the staff. The quality and the service were so good that friends of mine requested I open a restaurant and that is how I started Foodlands Restaurant. Today we have a chain of restaurants and hotels.

• We are very concerned today about invention, innovation and creativity. They are all in high demand in organizations. How, in your view, do they link with making things possible, for instance, in your pharmaceutical business?

Invention, Innovation and creativity are the key to be the market leaders. These faculties are related and one leads to the other. Creativity is the basis of innovation. You need to be creative to think divergently, and divergent thinking alone leads to invention. Invention is the precursor to innovation. Thus it is important for the success of an organisation to identify

and absorb creative talent. This has been the success factor for all of our ventures, including the pharmaceutical business. When our beloved former President Dr. Abdul Kalam inaugurated my pharmaceutical factory, he recognised my innovative spirit and my contribution to the society. He then directed his nanotechnology advisor, Dr. Vardhan from university of Arkansas, to work with me for the benefit of the society.

• You ventured into establishing a money exchange house when people were struggling to find safe, prompt and inexpensive modes of money transfer. When you look back now, which strategy of yours, you think helped the most in achieving success in your business ventures? Addressing a felt need?

Indeed. Identifying a felt need is the key to business success. We ventured into money exchange and remittance at a time when there was only unorganised and illegal channels available in UAE. When we provided legalised options which were reliable and value-for-money, it was well accepted by the market. We transferred six billion dollars for the resurgent bonds when India was in major deficit. Currently, we remit to India around 15% of the global inward remittance which is around five billion dollars annually.

• NMC, as a business conglomerate is into so many activities. What is the core competence of NMC? Are there any plans of business consolidation?

NMC group has diversified into different sectors like Healthcare, Financial Services, Pharmaceutical & FMCG Manufacturing and distribution, Hospitality, Information Technology, Advertising, Real Estate, Gold & Diamond Jewellery, among others with the main motive being

SERVICE TO THE COMMUNITY. As we have always been expanding our businesses we have do consolidate as the business expands. Although with the opportunities available in the markets these days, my only ambition is to grow and not to stop.

• ***Of the various business lines NMC group is in to, which one is the darling of B R Shetty and Why?***

I have always believed in giving back something meaningful to community that has given me so much. Through healthcare I have tried to reach out to the people because I believe that there is no better happiness than good health, and when quality and affordable healthcare facilitate good health, the nation prospers. A healthy and smiling society has been my dream throughout. Therefore all businesses I have started have a component of contributing back to society.

• ***What are your opinions on the way the Indian economy is shaping up?***

India was a nation glorified by its history till a few years ago. Today, India enlivens the world as to its present and future. It has come a long way from the time our forefathers fought for the freedom of the country. Today, Indians are a global community revered by all. The geo-political transcendence of Indians has been accelerated by our acclaimed expertise in IT and biosciences. Every economic indicator predicts the strength that India would achieve in the next three decades, even surpassing the present global superpowers. The glorious future of the nation is thus no more a dream. It's a calculated plan of action. Our increasing expertise in various fields, our acceptance in various world forums including ASEAN and the prospective UN Security Council speaks volumes about

our increasing importance. I would dream of an India which is global, not just because of its people, but because of its values, contributions and expertise, and a great community which is globally spread, yet strongly bonded.

• ***Despite the fact that India is emerging strongly with its own home grown recipe for economic success, what do you think are the few tips India can take from UAE's economic policies?***

India is fast evolving as one of the strongest of global economies, encashing on its rich resources and talent pool. But in spite of the concerted efforts to have a balanced growth, there still are highly discernible disparities in the Indian society, like the widening divide between the rich and poor, and lopsided infrastructural development. UAE, even when starting off as a volatile economy, depending overwhelmingly on petroleum, has identified the need for developing the basic infrastructural resources for growth, and today, the economy is strong and stable with no political interference. This has been the great driver of development in this part of the world.

• ***How do you compare UAE and India?***

Ans: Both are highly aspiring nations, and have their respective advantages and strengths. UAE is a relatively new nation, and so is more focused and streamlined, whereas India had adopted the British legacy and had acted late in identifying its strengths and objectives. A great effort is spend on undoing the systems, processes and habit, before new methodologies are established. But, the fact remains that India has one of the best human resource pools in the world, which can contribute to greater economic and social system growth in future. Thus bridging this

pool of intellects and the growth opportunity in the UAE would strengthen the relations of the two countries.

• As Indian companies go global, what will be the challenges as they step onto the world stage?

Pedigree was the cardinal factor for business dominance in the old Indian economy, where people attributed value for commodities based on nomenclature. The Tatas and Birlas are typical examples. But as time went by, local and international brands found the Indian markets attractive and their entry gradually changed the mindset of the average consumer. The opportunity is now; Indian companies are being invited and are actively pursuing business opportunities on foreign shores due to the recognition of their success in the Indian markets. The challenge lies in replicating this success on a global level with different market conditions such as culture barriers, competitive environment and so on.

• You have interacted with many global companies interested in doing business with UAE. What's your sense about the issues MNCs are facing in UAE? For example, cultural differences can be an issue. Could that be?

I feel that UAE provides a very conducive legal environment for businesses to enter, establish and to flourish. The infrastructural development that the country is witnessing is highly encouraging for corporates. Issues, if any, are beyond the legal realm. It could be cultural, where the perceptions, thoughts, and preferences of a diverse consumer base have to be taken into account when you try to sell your product or service. This is a challenge as well as an opportunity. If you are able to gauge the market well, you get a

global audience for your brand. Indian companies have a competitive advantage with the UAE since the cultures are very similar, many of the UAE nationals even speak Hindi and approximately 40 years ago the official currency was the Indian rupee.

• What steps should be taken to spot and retain the talent in knowledge / talent-succession planning?

It is important to recruit people who share the same values of the company, there is a Chinese saying 'If you doubt someone then don't employ him, if you employ him then don't doubt him'. On inducting the employee it is critical to make them feel part of the company and family, to employ them in a position they are capable of and aware of their career growth, thereby ensuring their job satisfaction.

• It's one thing to spot and nurture the talent in an organization for higher-order organizational roles. It's quite a different thing to retain talent though. Where do you think companies go wrong in retaining their talent?

Globalisation has empowered both the consumer and the provider by opening up a spectrum of choices before them. The competition between the local and international providers, benefits the consumers on price and quality. The provider, benefits due to the opening up of markets. He explores, identifies and enters into new markets which gives him more opportunities for selling, and more takers for his commodity. A similar change has happened for the employee as well. The demand for skill has increased, and there are many businesses vying for the same set of skills and talent pool. The mobility and geographical scope of the labour force has increased,

while loyalty has taken a beating. In such a scenario, only those companies are successful, who identifies the changing needs of each employee, and the need to retain him. The needs are both intrinsic and extrinsic, and are not determined by remuneration alone. It is in the identification of these factors that companies may err.

• How do you ensure identification of the right talent at different levels of organisation structure?

I think there has been a paradigm shift in the way an organisation is planned today. The conventional way of looking at an organisational structure based on levels of authority has given way to functional ownership, which emphasises more on role, responsibility and accountability. A competent organisation would identify functional heads and process owners, across various levels, and groom them to meet the corporate objectives. Only a highly responsive organisation can identify talents from within and without to own the increasing and evolving processes in its corporate functioning. We have a highly competitive and accountable structure to identify talents from among the huge employee base that we have. This is through constantly evaluating performance against well-defined objectives broken down to an individual level, and identifying creativity against the provision of thought space.

• How emotionally attached are you with India and your native place? How would you like your people back home to remember you?

India is my Motherland, though I have been away from my native place for over three decades, I have made it a point to visit as frequent as possible, my feelings and emotions for India and my people back home

remain the same. I have a lot of memories from my childhood and active youth life I lived in my native place, Udupi. I was the youngest municipal Vice President and it gave me great satisfaction when I could serve the people through this post. Even now I make it a point to help people from back home; in fact most of my employees are Indians. I would be happy to be remembered as a Philanthropist and a good human being who made a difference.

• What is Corporate Social Responsibility? What do you think are the ways businessmen can express their societal concerns?

The scope and importance of CSR has increased tremendously across the world. Today, a company is evaluated based on various perspectives to identify its competitiveness, including the impact that it has made on the environment where it functions. The impact could be negative or positive, and spans across cultural, environmental, political, economic and other spheres. Thus, for a businessman to express his commitment, an array of subjects is present, even when there is a discernible focus on environmental CSR. As a socially responsible corporate, we have been involved in all of these, and strive to improve the positive impact of our actions on our corporate environment. We have always been quick to respond to disasters and calamities. Our expertise in medicine, medical systems, and fund transfers has helped us in sending medical and financial aid to the distressed in many countries. As a token of support, we regularly waive off the transaction charges to government approved charity funds during calamities, through our money transfer network. We promote sports by organising and supporting tournaments in various regions, and cultural integration through art and music programmes across the world.

• What are the secrets of Dr. B R Shetty's ability to strike cordial interpersonal relationships cutting across Social, economic, political and more importantly cultural barriers?

I am a people's man. When people approach me with their problems, I place myself in their shoes and consider their problems as mine. I do not differentiate between classes and masses, caste and creed. A glaring example is my multicultural Organisation where we have people from all across the globe. Looking at others as you would like them to look at you helps in cutting across all social cultural and economic barriers.

• Which other profession would you have chosen, had you not taken up entrepreneurship route to success?

I always aspired to be a Pilot. This was the reason I wanted to join the Air force. Unfortunately, when I went for the interview, I was 8 days over-age, hence could not realise my dream. However, deep down in my heart I nurtured a passion to fly planes and years later I got this opportunity. Looking back it was a blessing in disguise and I am sure I would not have helped as many families and am as happy and excited with what I do now.

• What are the future plans for NMC group?

I am always interested in setting up new ventures in areas like education and research, but most of my growth will come from the existing companies of which I have only achieved 10% of what I want to do, 90% is yet to come.