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I am always looking for something that is lacking, something new

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As a young lad from tiny Rampur, IIT Kharagpur was a turning point in Vinod Gupta's life. It opened his eyes to the diversity of India. Since then, there has been no looking back for the man who now counts Bill and Hillary Clinton among his friends. Vinod Gupta is the founder of InfoUSA Inc., a database company that has revenues of over \$300 million and is set to expand to all English-speaking countries. But what makes Gupta a true pathbreaker is the manner in which he is using his wealth. He donated millions to set up the Vinod Gupta School of Management at his *alma mater* IIT Kharagpur and has transformed the lives of hundreds of girls by setting up a sophisticated Women's Polytechnic at Rampur, which continues to grow. *MoneyLIFE* editors *Sucheta Dalal* & *Debashis Basu* caught up with him at Kolkata on his way to launch a School of Intellectual Property Laws that he is financing at IIT Kharagpur. Gupta has extremely high profile friends, but believes in keeping a low profile about his charities. Like his famous Omaha neighbour Warren Buffett, he too does not plan to leave his wealth to his children, although he has ensured that they will never want for money

ML: You come from UP and were born at Rampur, weren't you?

VG: I was born in New Delhi, that's what my dad told me; it was at the Lady Harding Medical College, room number 102 or something (laughs aloud at the detail). But yes, my dad lived in a place by that name which most people confuse with the State of Rampur. This is actually near Saharanpur. The full name is Rampur Maniharan. *Manibar* means

bangles, so I guess it means a town where they used to make bangles at one time. It was a town of only 8,000 people and I did my schooling there till the 10th grade.

ML: Your father was a doctor; didn't you want to become a doctor too?

VG: No, no, no. He was a village doctor and he didn't make any money there. Not only that, he used to get called at night; somebody would knock and say his uncle was dying ▶▶

► or somebody was sick. And my dad used to go out on his bicycle late in the night. A lot of times they didn't have the money to pay him and quite often they would pay him in milk or wheat or something. So I never wanted to be a doctor. Doctors in villages have a hard life.

ML: Did you have good schools there or was it a municipal school?

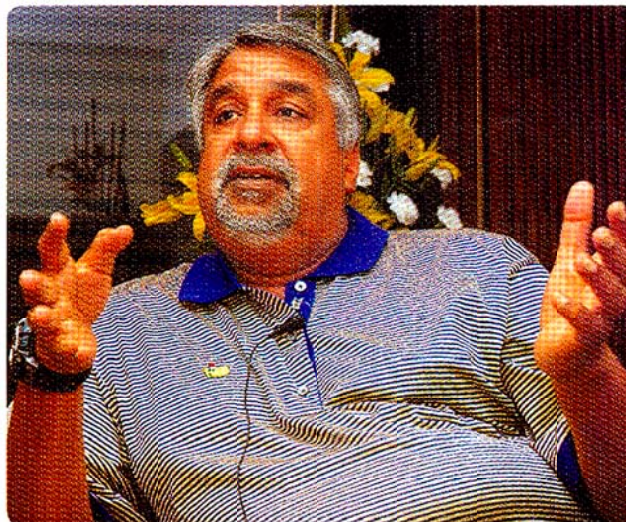
VG: It was a village school. It was called the Gujjar Agricultural School and was only up to the 10th grade. I studied in Hindi; some of the teachers knew English, which was the British influence, I guess. Then, after my 10th, I moved to my dad's village, which was Baroth, near Baghat. That's where I did my 11th and 12th in the science stream.

ML: Had you made up your mind to do engineering by then?

VG: In those days, you had only two choices. Either you go in for engineering or do medicine. I didn't think I was cut out for medicine. So my choice was engineering. In the 10th grade, I had decent marks and I did okay in the 12th. I then appeared for the IIT (Indian Institute of Technology) entrance examination. I remember that once when we were out for a walk at Baroth, we ran into this person called Sant Sagar Jain, who was a friend of my dad. When he asked me where I intended to do my engineering, I said I wanted to get into the College of Engineering at Roorkee because that's where everybody went. He said, "No, no; there is a much better school now called IIT, Kharagpur." This was in 1961. Of course, I didn't know where this place was. Sant Sagar Jain was from the first or the second batch of IIT, Kharagpur and he went on to become the managing director of Bird & Company in Kolkata. I remember there was this advertisement in the newspaper about an entrance examination for the IITs. At that time, there were only four of them – Kharagpur, Kanpur, Madras and Bombay. I appeared for the entrance test and cleared it. I had also applied to other schools where they basically admitted you on the basis of your 12th grade marks. I never thought I would get into IIT. But they took 1,200 students; I was 1,197th or something! I still remember the day. I was at my grandparents' place at Ghaziabad. My dad called to say that a letter had come for me saying they wanted to interview me. When I went for the interview, they said 'you have only one choice - agricultural engineering.' That was like the worst thing you could do; but I said, 'I don't care I'll take it.' So that's how I got there.

ML: I remember you saying that, after Rampur, going to Kharagpur was like moving to a large city.

VG: Oh yea. To start with, I didn't know the place at all. Somebody said you have to take a train to Kolkata and you then take another train to Kharagpur. My cousin took me to Delhi and, from there, I think I took the Howrah-Delhi Express, which took something like 36 hours. I didn't have a



“ Having got into IIT, I was certain I would get a job paying me Rs400 a month which, in those days, was a lot of money. I never had any ambition beyond that. When I was in the fourth year, I saw a lot of students going to America to do their master's programme. I thought, maybe I should do that ”

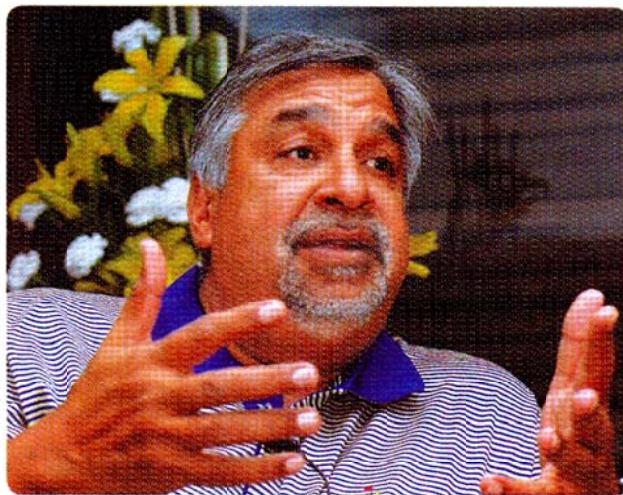
reservation and was travelling third class. And there was this bunch of students in the train who rounded up the freshers and the ragging started from the train itself. The seniors left us on the platform to guard their bags and they went off to drink. Coming from north India, Kolkata itself was very different. Kharagpur was hot and muggy. The guy who ragged me the worst – his name was Jassi Khurana – and I went on to become real good friends and we still are. In fact, he was nice enough to get me a single room in the hostel.

ML: So you joined up for a course in agricultural engineering; what were you hoping to do with it?

VG: Well, first of all everybody started saying you don't want to be in agricultural engineering. But I said, 'forget it, it makes no difference.' Having got into IIT, I was certain I would get a job paying me Rs400 a month which, in those days, was a lot of money. I never had any ambition beyond that. When I was in the fourth year, I saw a lot of students going to America to do their master's programme. I thought, maybe I should do that because I didn't think India had a lot of opportunities.

At that time, an interesting incident happened. I could not go home for *Puja* holidays at the end of my 4th year. In the summer before that, I was supposed to go to a farm in Chennai for my training but it was so blistering hot that I ►►

▶ just took a train back and did not finish my training. So my professor said, 'You can't go home. You have to finish your training in the department.' The whole campus was empty; everybody had gone and I was the only one left. The place was dark and scary. The next day, I was in the department and met this American professor from Nebraska who was there for three months under the PL-480 programme. He and I became friends and saw a lot of each other during the next four weeks. I also had some friends at the Kalaikunda



“ During the Cuban missile crisis, there was a story about how, when they picked up the presence of a Russian missile in Cuba and called up John F Kennedy, he was playing golf at the Burning Tree Club. I wondered where the name Burning Tree Club would have come from. I became a member of Burning Tree Club in 1997 ”

airport base, so I took him there for drinks and dinner. He asked me, 'What are you going to do after your graduation?' I said, I would either get a job or go abroad for a master's programme. He said, "Why don't you come to Nebraska?" I said, "Well, I have a problem; my grades are kind of bad you know – like 2.0." He told me not to worry and sent me an application form which I filled out. I then took my GRE (Graduate Record Exam) in which I did not do too well but he gave me a scholarship. He's still my friend and we recently had a 40-year reunion! So, in a way, it was about being in the right place at the right time and being lucky. Here I was being punished for not completing my training and it opened a new chapter in my life. This was in 1967. I graduated in May 1967 and, on 29th August, I went to the US. At that

time, I knew I was not coming back.

ML: And that was a turning point?

VG: I think going to IIT was the real turning point; it gave me a broader view of the country. When I went to IIT, I saw students from all over the country. They spoke different languages and they ate different food. I wasn't used to that. Coming from a village to IIT was like an Epiphany and it really made me aware of what was going on in the world – Germany, Russia, Britain or the US. I mean, coming from a village, I didn't even know we had these Maharajas who lived pretty well.

When I came to IIT in 1962, I remember there was a big USIS (United States Information Services) function. John Kennedy was elected president and the US consulate was very active at the IIT. They would have these functions and American students would come here and they would send us these beautiful slick magazines. We had *Time* and *Life* coming into our common room. I used to go through these magazines and was mesmerised pictures of beautiful cars and things that I had never seen before.

Then, I remember during the Cuban missile crisis, there was a story about how, when they picked up the presence of a Russian missile in Cuba and called up John F Kennedy, he was playing golf at the Burning Tree Club. I wondered where the name Burning Tree Club would have come from. Incidentally, I became a member of Burning Tree Club in 1997. When they introduced me as a new member and asked me to speak, I told them the story about how I had first heard about The Burning Tree Club in 1962 and they got a kick out of that. So IIT opened the doors to the fact that there was more to the world than even the IIT.

ML: How did you feel after going to the US? That was another big change; what was your plan then?

VG: There was no game plan. I was in Nebraska getting my master's and I was also working during that time. For the first nine months, I had an assistantship, which paid me around \$180 a month, which was really just enough to survive. Then in the summer, I got a full-time job which paid about \$550 a month. That was a lot of money. And when the summer was over, the professor gave me the job of a lab assistant, which was a half-time job that paid me \$300 a month. I was rich, you know. As I was finishing my master's, he gave me a 3/4th-time job, which gave me \$500 a month. He then said, "Now what do you want to do?" I said, 'I want to do my MBA.' I had applied to two or three universities and even got accepted to Harvard that time but I didn't have the money. So he said "Why don't you do your MBA at Nebraska and they will give you a full-time job." So here I was working and also doing my MBA full time.

ML: That would have been tough...

VG: Yes, but when you are young it is okay. I loved my

► MBA, it was like a breeze to do the course and also work full time. I would get up at 4:30 in the morning and go to work. I finished my MBA in 1971 and the first job I got was at Omaha, which was 50 miles away from Lincoln. It was for a mobile home manufacturing company and I was their market research analyst. My salary was \$750 a month, which was less than what I was making at the university. But it was a full-time job – a career job – even if it meant taking a salary cut. So I went to Omaha.

ML: How long were you at that job? Isn't that what launched you into the database business?

VG: Yes. But before that, when I was at the university, I was importing precious and semi-precious stones from India. And I would sell them to jewellers in Nebraska. Then I was importing carved wooden items. A friend of mine would send them to me and I would sell them in the US. Then, in the Christmas of 1972, I had ordered for \$20,000 worth of wooden items and my cost was \$10,000, so I was going to make a lot of money. The stuff came to the dock in September and the longshoremen's union went on strike. So I could not deliver till 10th December and everyone cancelled the orders. Meanwhile, I had to give a letter of credit, which is basically a blank cheque from the bank and then I had to sell everything very quickly at something like 10 cents to a dollar. To cut a long story short, I was \$7,000 in debt. I went to the bank – I knew the banker, he had financed me before – and I told him "I have a problem. I can't sell my stuff because the orders were cancelled due to the strike and now I'm \$7,000 short."

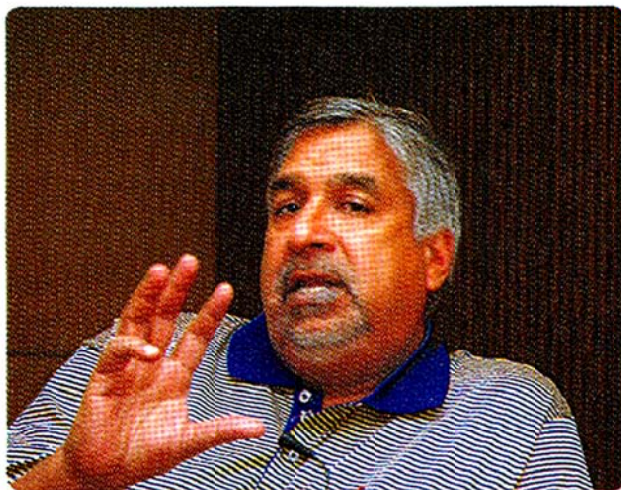
ML: What did he do?

VG: I remember his words. He said: "The fact that you came to me and told me is important, I trust you... you can take as long as you want to repay it."

That was an important lesson – be truthful with your bank. The banker said, "Most people are not truthful in these situations and we end up chasing them." I expected to be in debt for a long time to pay back this \$7,000. Meantime, while I was working at the mobile home company, there was a need for a list of mobile home dealers. Dun & Bradstreet had the list, which I got for the company, but it wasn't very accurate. Everybody wondered why we couldn't get a list of mobile home dealers. So I told my boss, "Well, they are in the yellow pages; why can't we get them from the yellow pages?" And that's how the business started.

ML: Yes, we know you got piles of yellow pages and worked out of your garage...

VG: Yes, first of all I called the phone company and I asked how can I get all the yellow pages and what was the cost. And this woman on the phone line said "Oh boy, it's going to take a long time; let me get back to you." She called me after some two months and she said the cost for all the



“About three months later, I came back to my office one day and my boss was just standing there fuming. He said “Gupta get those damn boxes out of there, otherwise I’m going to fire you.” I said, “What are you talking about?” He grabs me by the arm and takes me to the reception area, which was packed with boxes and boxes. I didn’t know what they were, so I opened one and they were phone books!”

yellow pages would be like \$8,000 for the whole country; that's about 4,200 yellow pages books. I said: no, we couldn't afford that. Then, after a couple of months, I got another call and they asked: "Mr Gupta, does your company have an 1800 toll-free line?" I said yes. She said, "If you have a toll-free line, the phone books are free". That was because they were trying to promote the use of long distance. I thought there must be a catch and asked if there were any shipping charges? She said it was all free so I said that's good, just ship them.

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of here'. I said, 'Where am I going to take them?' He says, 'I don't know; that's your problem'. I called a local trucking company and they hauled all the books to my garage. So now I had these books in the garage and my car was outside and now my wife was fuming.

I then opened all the boxes and separated them by each state on the floor. I then went to the bosses and said: "Listen, if you want this list, it's going to take a long time and some expense. Somebody has to go through all these books and get the names, addresses and zip codes of the dealers. Do



“ They asked how much it would cost and I said at least \$10,000 in labour cost alone. They didn't want to spend that kind of money. So I said, “Well, there's another choice. If I can sell this list to your competitors and other manufacturers and make money, you can have it for free.” ”

you want to spend that money?” They asked how much it would cost and I said at least \$10,000 in labour cost alone. They didn't want to spend that kind of money. So I said, “Well, there's another choice. If I can sell this list to your competitors and other manufacturers and make money, you can have it for free.” So they said “Yea, we like that choice. If you can sell it, fine.” I went through the books one state at a time and made a sample list of about 300 names of dealers. I got out a print sample and sent a letter to all the manufacturers.

ML: Which year was this? Were there computers then?

VG: This was in 1972. There were IBM 360s which required you to use punched cards. I got a brochure printed and sent a letter along with it to a thousand manufacturers saying

we had this wonderful list of mobile home dealers priced at 10 cents a name. We told them if you want to order the list, check the state you want it for and we will send it to you. In about eight weeks, we had orders for \$22,000 and \$13,000 in cheques.

ML: Did you do all of this alone or did you have a partner?

VG: My partner was the person who was then my boss.

We had put in \$50 each to send out our first mailer. And I borrowed the \$50 from the same bank to whom I owed a lot of money. I had to hire a lot of people – some part-time girls; my wife and I had to write all these names and have them key punched. There was a huge demand for the lists; people were calling and asking for them. Finally, in about three months, we had the lists ready and printed for everyone and sent out all the orders. For the first year, our sales were \$44,000 and I made \$28,000 in profit. I paid off my bank debt. That was the start. Then, in 1973, the mobile home company that I was working for ran into problems and I was laid off. At that time, I decided to come in full time into this database business.

ML: What was the growth like, once you joined the business full time?

VG: The first year's turnover was \$44,000 and it went to \$60,000 next year and then \$100,000; but since I was working full time and had a lot of expenses, I didn't make much money. So, I took a job with the city of Omaha to augment my income. But then I realised that our sales did not grow that much because employees are, after all, employees. I had to make up my mind whether I wanted to close this business or come back full time. It was a hard decision. In 1976, I quit my job with the city of Omaha and I came in full time.

ML: What about your partner, was he there at that time?

VG: No, my partner was not involved in the business; he was just my boss and still a partner. He moved on to a different company. In 1976, our revenue grew from \$110,000 to \$200,000; our profit was \$35,000. That was good and I could say, “Yea, I can support my family”. In 1977, our revenue grew to \$350,000; then, besides mobile home dealers, we had created a list of trailer dealers, motorcycle dealers, bicycle dealers, etc., all from the same yellow pages. That year, I made \$100,000 in profits. That was a lot of money and I knew at that time that we had a viable business. So we started compiling more lists and the business grew. By 1981, we reached the million-dollar mark in revenues. In 1986, we were \$9 million and I remember that, in 1987, we went to \$13 million. Then, the business took a life of its own. We had more employees, our own building and were adding more quality to the list.

ML: How did you improve the quality of the list?

VG: We were calling each business, verifying their existence, ▶▶

▶ their addresses, adding more details and the business was migrating from the yellow page-based business to a database business. Also, as technology changed, we had to adapt to new ways of delivering information – floppies, CDs and then online access. In 1992, when we went public, our business had grown to \$44 million and we had done two acquisitions of smaller companies in similar businesses.

ML: When you started this, were there other companies doing similar things or even copying you?

VG: There were other companies doing the same kind of thing but they did not have the quality and they were not catering to small customers. We were 92% accurate, while others were 60%-70% accurate. We were very aggressive in marketing our lists to lots of manufacturers and wholesalers. We would send out thousands of mailers promoting our lists and that is something that others did not do. Then, as our revenue increased and we grew our sales and as our profitability grew, we could buy our competitors – that gave us an edge.

ML: Did you always want to stick to the database business?

VG: There was so much potential to grow in creating a database for the whole country. By getting more information, we could get more products and could license our database. So, by 1993, at \$44 million in revenue, we were the biggest, but we could see that the potential market was over a billion dollars plus. Then came things like the Internet, online business, etc., which made information delivery a lot easier; today our revenue is \$440 million from the database alone and we are still barely scratching the surface. The market potential runs into multi-billion dollars.

ML: We remember reading about you in *Fortune* magazine; wasn't the company then called *American Business Information*?

VG: That was in 1994, when the CD-ROMs came. We changed the name of the company in 1998, since we were no longer just a business database company. We wanted a one-word name; so we thought InfoUSA would be a lot better than American Business Information. Meanwhile, my partner continued in the mobile home business but ran into some financial problems with his second plant. I bought out his 50% and he bought out my share in his business. By 1990, I owned this business 100%.

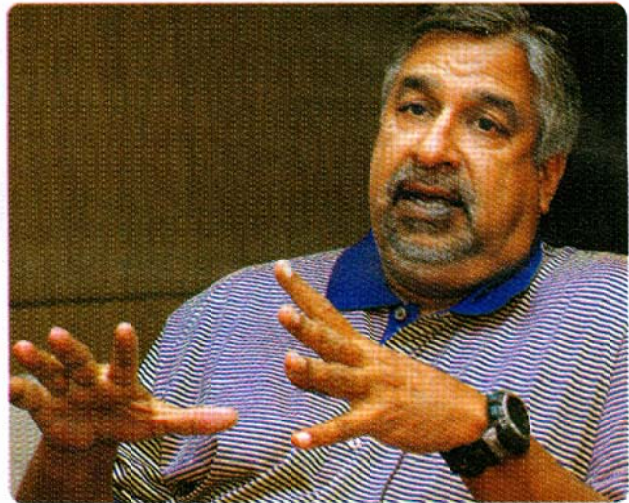
ML: Didn't the post-dotcom phase help you to buy up companies too?

VG: When the dotcom bubble burst, a lot of the email marketing companies – which had a market-cap of multi-billion dollars – came crashing down to the right price. So we bought four of these companies for anywhere between \$4 million and \$6 million; their market-cap had been over a billion before the crash. We put them together and, today, we are the largest email deployment company with revenues of

around \$50 million and it is a growing business.

ML: How does it work?

VG: Well, suppose you are ITC Limited and you have a database of all your smokers with their name, address and email. Once you have their email addresses, you can do a lot of direct marketing. They can communicate directly with their target market and say offer a discount on a particular brand or something. That is a lot cheaper than direct mail.



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The average cost of direct mail is 40 cents each while the average cost of email is a tiny fraction of that. We work with their database on what is called the ‘retention business’. So they will give us their email database; we will clean their files, segment them, analyse them and help them advertise and communicate better with their own customers. This is called the ‘retention business’; the other business is called the ‘acquisition business’ which is basically spam. We don’t do much of that anymore.

ML: Going back to the dotcom bubble, didn't your company too go through the same ups & downs?

VG: Yes, we got trapped in that too. We sold a part of our InfoUSA subsidiary to a venture capital firm because the valuations were so high. When the crash came, we had to buy-back that part. Even our stock rose to \$18-\$20 a share ▶▶

▶ and dropped later. So we took a hit at that time. We were not so badly affected because we were not a true dotcom company. We were doing very well. By 2000, our revenue was over \$200 million. We had bought Database America and Donnelley Marketing by then, so our business was flourishing.

ML: You said that what you have done so far is only the tip of the iceberg.

VG: Absolutely. But we have had to make a lot of changes to our business—especially after 9/11. For instance, the direct marketing business was maturing and it wasn't going anywhere. So we had to go into email marketing – that was a real plus for us. Then we started selling our database as a service. We launched a company called Salesgenie in 2003, and that is becoming a bigger part of us. We are selling our services through online subscriptions. The way it works is that a traditional customer would buy our lists on a one-time basis – for instance, a list of jewellers in Iowa or plumbing contractors in New York. Now, we can offer that online, but we can also say that for \$75 a month we will give you access to our entire database and, if you download any names, you pay for that. It is like offering a buffet. So we are converting a lot of our one-time customers into subscribers.

ML: It stabilises your revenue base by giving you recurring revenue?

VG: Yes. In the past, a customer would come to me once in two or three years. Now, they are paying us every month. Then we bought a market research company called 'Opinion Research' – they are doing all the polling for CNN. That is when the Republicans accused me of influencing the polling for CNN because I am a friend of Bill and Hillary Clinton. We bought the market research business about two years ago and, since then, we have done a lot of acquisition in market research. It is really a great business – it is a big industry and a very stable business.

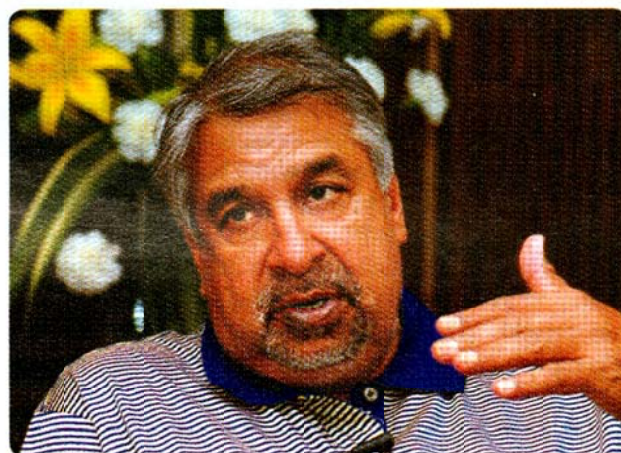
ML: But in that business you have to make a sale each time, you don't have a recurring revenue model.

VG: Yes, but most of those contracts are big and, once you do work for a company, and you have done a good job, they have no reason to change. Suppose you are doing research for P&G or Unilever; as you do more work, you have so much of background and historical information for your analysis that they just can't change overnight. There is stickiness. Then in our database, we are dealing with the same buyer – the same VP marketing who is buying our database product is also buying our market research. Our revenue this year should be about \$720 million, of which \$300 million is market research and \$420 million is database.

ML: You are in a business where you have to constantly reorient yourself to keep pace with technology as well as

changing regulations – such as privacy concerns and the Do Not Call Registries, which can affect your business overnight. How do you cope with it?

VG: Yes, we have to constantly be at the cutting edge of technology. And we always have to evolve ourselves to meet the need in the marketplace. You are right, the Do Not Call list affected our business, but there is always



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opportunity elsewhere. So we have strategy sessions with our management group to study trends, evaluate potential opportunities and completely re-engineer ourselves if necessary.

ML: You have been quoted as saying that when you make an acquisition, you let that business run by itself; you don't supply the management. Is that correct? So are these businesses separate divisions?

VG: Yes, they are divisions. First of all, we don't acquire a business, unless the management comes with it. Or, unless the business is broken and we have the expertise to fix it or integrate it with our existing business. We have done that several times. Most of the time when we buy a business, we like to buy it with the management; we don't change the name or anything... we only provide the tools to make them more efficient and profitable.

ML: Tell us about your friendship with the Clintons, how did that happen?

VG: Oh, that happened in 1996, I think. Just before Bill's re-election there was a fund raiser in Washington DC and I ▶▶

▶ got a call to say there was a dinner for a very small group of 20 odd people. I was asked if I would you like to come and that I would have to make a contribution of \$2,500 or something.

ML: Were you already supporting the Democratic Party then?

VG: Yes. Once you go to the US, all of a sudden you realise that you are a minority and I felt that the Democratic Party was more open and more sympathetic to the minorities. That is why many of us became Democrats and I had supported Jimmy Carter before that. Anyway, when they called me, I went there and Bill Clinton was sitting across me and I asked him a lot of questions, especially about India and Pakistan. I told him that I thought he was favouring China over India and that he really didn't understand India. China is a very monolithic society and he had already been there two or three times and had never been to India, even though India was the world's largest democracy. I think he was a little taken aback and we talked a little more and, at the end, he invited me over to the White House. I realised that he had this practice of getting his pals to gather at the White House after all his duties were over and have a kind of jam session. They would play cards and talk about issues of the day. He is very smart and well-read. But if there was an issue he didn't understand, he would get some expert to come in and teach him. I helped him in his re-election campaign, raised money for him and we saw him at the White House and other places.

ML: And you have persuaded him to come to India.

VG: Yes, but that was the visit after he had left the White House. He came to India and visited the school we set up at Saharanpur.

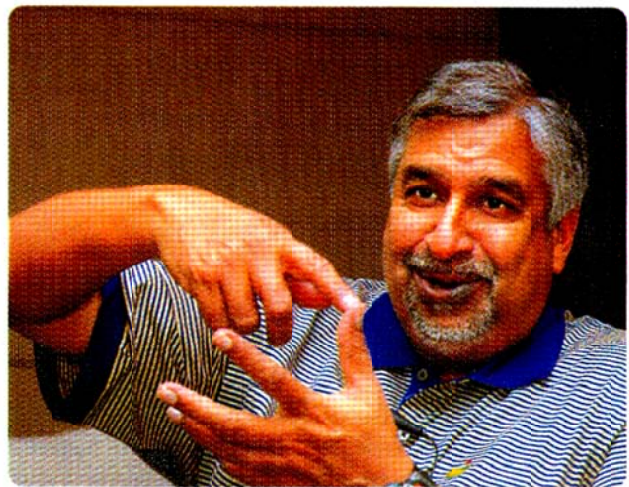
ML: Is your friendship with the Clintons affecting your business as well? There is this Securities and Exchange Commission (SEC) investigation, etc. What is it all about?

VG: The whole thing started in 2001 when I wanted to take the company private. Then some hedge funds got in to make a quick profit. They had got in after we decided to go private and when that did not happen, they began to make all these accusations. In fact, we had disclosed all the related party transactions and there was nothing wrong with our relationship with the Clintons. The judge threw out that part – he said that it was very normal for companies to have relationships with politicians and ex-politicians or having ex-presidents on our board or whatever. Bill became a consultant to the company and basically his job was to talk to our sales people, etc. The fee was really for his speaking engagements. The fact is that since we are doing a lot of work for a lot of political organisations, having an ex-president speak to your customers is a very big thing. Customers remember it and it is great for business. It has

brought us an immense amount of business. And when you are travelling with him and get introduced to people as his friend, it does help our business tremendously.

ML: You are an American citizen and have done exceedingly well there; at the same time, you clearly love India and are doing a lot of work here. Tell us about it.

VG: Well it started with the charitable side – setting up a school of business at IIT, Kharagpur in 1994. I always felt that IITs should have a school of business. Then it extended to the village (Saharanpur), where I felt that the village girls were not getting the education that they deserve. My mom wanted me to do it. Then I spoke to Billu (BK Goswami, former advisor to the Governments of Uttar Pradesh and Jammu & Kashmir) and said that I wanted to set up a vocational school there. Billu was instrumental in getting it done. One may have a lot of ideas, but getting it done is something different and he has really got it going – created the concept, bought the land and built the school. Initially, it



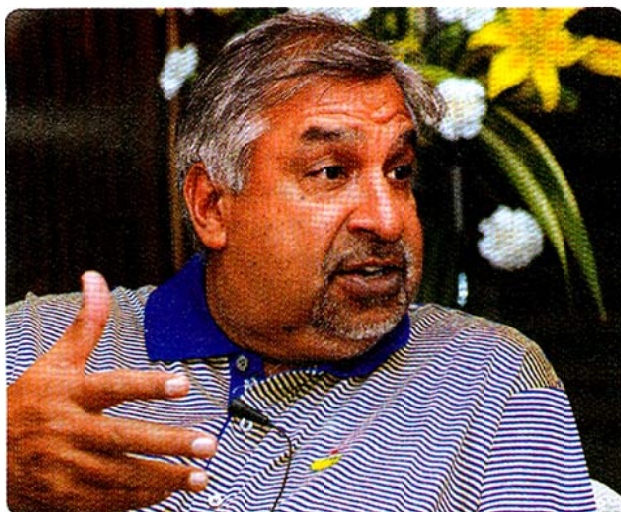
“ Bill Clinton was sitting across me and I asked him a lot of questions, especially about India and Pakistan. I told him that I thought he was favouring China over India and that he really didn't understand India. He had already been there two or three times and had never been to India, even though India was the world's largest democracy. I think he was a little taken aback and we talked a little more and, at the end, he invited me over to the White House ”

wasn't recognised and we went through some difficulties. As India opened up, we realised we could do a lot of business ▶▶

in India. First, our data entry was done out of here. Our office at Gurgaon has 120 employees and we will take it to 200 in a year. So we are doing more and more work in India. We also have a sales company called OneSource, which is selling our databases in India and outside. So it started on the charitable side and we are now doing business as well.

ML: How about an Indian database company? Are you looking at that?

VG: We are trying to find a partner. It is difficult to just come in and compile a database. It is better to have a partner who will do most of the work. Now that the economy is growing,



“ I went to Clinton, I said, there are about 200,000 villages in India and if every NRI picks one village, we can make a lot of difference; he now uses that line in many of his speeches ”

I think the time is right to have a database of businesses in India. I am looking at that – the market research side and the database side. We have just announced that we will be compiling a database in the UK and that is a big thing for us. We already have a database in Canada and are looking to expand our business to all the English-speaking countries – the UK, India, Australia and New Zealand.

ML: Do you see a big opportunity in India because of the cost structure and lower wages?

VG: Yes. We have 120 people now and that is a good start. We use a lot of sub-contractors who do our work here and they are hiring a lot of people. I am not counting those. We are sourcing a lot of software work from India.

ML: What led to your decision to set up another school at IIT?

VG: I set up the School of Intellectual Property Law at IIT, Kharagpur. The School started last year and we are constructing the building. I am always looking for something that is lacking – something new. Intellectual property (IP) is going to be a big thing for India. When I told Clinton that I am setting up an IP law school he joked – “All this time they were stealing intellectual property and now that they are creating intellectual property, they have got to protect it.” There is a huge demand for it. There are potentially two areas of growth here – one is outsourcing IP-related work to India – that is research based and can be done out of here. The second thing is that all these pharmaceutical firms, engineering firms and software firms are getting all these patents and they need to have the expertise to protect them. We are also setting up two schools here – my dad went to the University of Lucknow, so we are setting up a school of public health. And he had gone to school with (the late) President SD Sharma, so we are setting up a law library and the school of democracy. That will train young elected officials before they start their job.

ML: You have reportedly said that you don't want to leave your wealth to your children.

VG: It is easy to decide upfront and let your kids know what they are getting. First of all, my kids have been taken care of already – they have a decent networth and will never have to worry about money. Giving them a lot of money is spoiling them. But then, in charity, we have to do the work that has direct benefit and reduces wastage. I feel there are charities which have spent incredible amounts of money – billions of dollars – and you don't see any difference.

ML: How do you plan to do it?

VG: Well, that is something Billu and I talk about. We say we don't want to change the world. To solve the problems of the world is going to take trillions of dollars and, even then, we may not be able to change things. We have to pick our objectives – take smaller objectives and make a difference there. We have 600 girls who go to our school and based on the amount of money we have spent, we are getting 10 times the return. We have no administrative costs and we are very frugal with our money; but we see the difference in the lives of these 600 girls every year. So we focus on things that directly benefit people. We would like to set up a mass communications school and a medical lab in the same area.

ML: What other areas would you focus on?

VG: I would say education and probably health are the two fields that interest me. That way you can concentrate your effort in one area and on one or two aspects. For instance, when I went to Clinton, I said, there are about 200,000 villages in India and if every NRI picks one village, we can make a lot of difference; he now uses that line in many of his speeches. ■