



Vinod Gupta (opposite page) of Nebraska recently donated \$2 million to establish a business school at his alma mater—the Indian Institute of Technology in Kharagpur. In this photo he is seen with President Shankar Dayal Sharma who unveiled the school's foundation stone on July 16.

The Grateful Graduate

by KATHLEEN COX

Vinod Gupta is a modern-day Horatio Alger who emerged from a small village in Uttar Pradesh, achieved a mediocre academic record, and then turned a clever idea into a fortune with a net worth of \$110 million. Gupta, who turned 48 this past July 4 (American Independence Day), is also a U.S. citizen who hasn't forgotten his Indian roots, nor his family, nor a single friend, it seems. Nor have they forgotten him.

When I met Gupta at the Oberoi Hotel in Delhi, he was wearing a sports shirt and casual chinos; he loathes a suit and tie. He was talking into his cordless phone, and his voice exuded self-confidence. His eyes were so alert that it was hard to believe he had arrived less than ten hours ago from his home in Omaha, Nebraska, and that he had already been out jogging in the heat. But then success and high energy usually go together. People kept calling all morning. There were last minute arrangements to make. This was no ordinary vacation trip to India.

About five years ago, Gupta decided that it was time to pay back the debts he believes he owes to each educational institution he attended. One of these schools is the Indian Institute of Technology (IIT) at Kharagpur. In 1991, he gave IIT \$2 million to create the Vinod Gupta School of Management and model it after the School of Management at the Massachusetts Institute of Tech-

nology. The scheduled unveiling of its foundation stone by President Shankar Dayal Sharma had now brought Gupta back to India.

Gupta has also donated money for a new science block at his former village school near Meerut in Uttar Pradesh. He gave money for school buses and set up a scholarship fund for the 60 best students each year and an annual monetary citation for the best all-around teacher. In America, he donated \$2 million to establish a curriculum for small business management at the University of Nebraska at Lincoln, another alma mater. He gave the university an additional \$500,000 to set up a scholarship fund for minority students who want to enter its science or engineering schools.

Gupta's generosity is manifest in many ways. On July 16, the day of the unveiling, Indian Air Force One flew President Sharma from Delhi to Kalaikunde Air Force Base, where a helicopter then took him to IIT at Kharagpur. Gupta declined an invitation to accompany the President, insisting that this singular honor belonged to his mother and father. Instead, a day earlier, he invited many of his other 200 guests, some of whom were childhood friends and family from his village, to accompany him from Delhi to Calcutta by plane. Many of them had never flown on a plane. They spent the night in a five-star hotel, and con-

tinued on to Kharagpur the next day in a festive spirit by train.

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As a student at Kharagpur, Gupta admits he did just enough work to squeak by. His unscholarly behavior often left him grounded on the campus during school vacations, but he made the most of a bad situation. He became friendly with a visiting professor from the University of Nebraska at Lincoln, Bill Splinter. When Splinter returned to Nebraska, he sent a letter to his young friend at IIT. "I was shocked," said Gupta. "I'd been awarded a full scholarship so that I could get a masters in agricultural engineering. Bill told me that grades were not the main criteria."

Gupta's family borrowed money for the plane ticket. With \$58 in his pocket and one suitcase of clothes, he flew to Nebraska in the summer of 1967. Coming from a village with no running water, no phones, no electricity, no paved roads, Gupta was impressed by Lincoln. "It even had a map so I could find my way around. Lincoln was a beautiful place—a sleepy little town."

After Gupta received his degree, he spent another two years getting his MBA at Lincoln. Then in 1971 he moved to Omaha, the state capital, and worked as a marketing research analyst with the Commodore Corporation, which manufactured mobile homes in 18 plants around

the country. Gupta's task was to evaluate Commodore's more successful competition. Sales managers also wanted a list of mobile home dealers in their territory so that they could improve their sales. Gupta tried to get this information from the brokerage house of Dun and Bradstreet, but its list was expensive and obsolete. That's when he thought of the yellow pages, the special telephone directories of businesses and business services that were revised and published annually by American Telephone and Telegraph (AT&T). By checking under the alphabetical listing for mobile home dealers, he figured he could create the list himself.

The idea was brilliant, but its implementation proved to be more complicated than he had imagined. When Gupta called AT&T and requested a copy of each of the books, the operator laughed and said he was crazy. There are 4,800 of these fat yellow books, she informed him. Crazy or not, Gupta persisted.

Two months later, a truck arrived at Commodore and dumped so many boxes that no one could get through the door of the receptionist's office. "The vice president of marketing told me that he wanted them out of the room by 4 p.m., so I moved them to my garage."

With the help of another employee, Gupta sorted the books by state. Commodore told them that they could work on their own time and the company would consider buying from them the list

they were intending to produce. When they completed the list, Gupta gave Commodore two options: Pay \$9,000 for exclusive rights to it, or receive it free of charge and permit Gupta and his partner to sell it to Commodore's competitors. Commodore, which seemed destined to make unwise decisions, took the second option. The two men invested \$100 of their own money and contacted the competition.

"Within two weeks, we received checks for \$13,000," Gupta said. "That's when I realized that preparing mailing lists could be a great business."

Gupta hired two part-time employees and launched American Business Information (ABI). By the end of the company's first year, ABI made \$22,000 in profit creating lists from the information available in telephone books. These lists became cost-saving marketing tools for American small businesses that needed sales prospect information but lacked the financial or employee resources to find comprehensive leads.

Gupta continued to work for Commodore, but by 1973, as ABI profits increased, the mobile home maker was in serious trouble. "The company received their free list," Gupta said, "but they couldn't solve their problems. I told the president that Commodore had to improve its profitability and product line. He was livid. In November, business was so bad they laid me off. The timing was perfect."

Gupta now put all his energy into ABI and compiled more and more lists. ABI expanded quickly. While it is now a large company with 660 employees, it continues its winning strategy by targeting its products at small businesses. From the original \$100 investment, the company's current market value is \$190 million. ABI also went public in 1992.

Gupta believes ABI's growth is a result of his philosophy: Identify the customer's needs and offer solutions backed with first-class service. "Our competitors are watching us," he insisted. "Tomorrow my company can be decimated if we don't keep up with the changes in

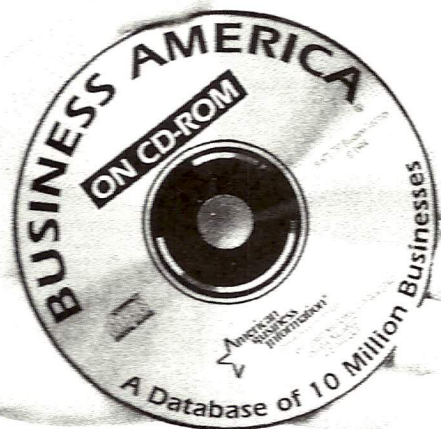
the information technology. It's a rapid growth industry—similar to the automotive industry in the 1940s."

Today, ABI's information coverage extends to businesses in Canada and involves a thorough search and verification of all data. ABI employees pour through yellow pages and business white pages, company annual reports, government publications, business magazines, newsletters, and newspapers. They make 14 million calls a year to 11 million businesses to double check their information, which now includes credit ratings. Customers can buy mailing lists with yellow page headings that cover abattoirs to zoos. Other lists are based on the U.S. Government's Standard Industrial Classification (SIC) Coding System, such as Wholesale Trade-Durable Goods and Wholesale Trade-Nondurable Goods. There are lists of businesses ranked by employee size or sales volume; of businesses according to geographic location; of key executives; of brands, franchises, or professions, and of new businesses. ABI provides such information in numerous formats: Mailing labels; 3x5-inch cards; CD-ROM disks; on-line computer databases; instant telephone access for customers who need business information when they're on the road.

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Before we left Delhi for Calcutta and the unveiling at Kharagpur, I asked Gupta what the objective was behind the curriculum for small business management that he has established at the University of Nebraska in Lincoln. "Many students dream of creating a small business," he said, "but they're unaware of the special demands—the financial requirements, discipline, cost controls. When you set up a small business, you need to wear different hats. Not everyone can do this. Students will be able to learn the keys to success before they invest their life savings. Seventy-three percent of start-up small businesses [in the United States] fold in three years, and 93 percent of them ultimately fail. It isn't a dream come true for everyone. I was lucky."

When we reached Calcutta, I discovered that many of Gupta's guests also felt



they were equally lucky. Everyone appreciated Gupta's loyalty and kindness; and everyone had a story to tell. Veena, a relative from the village, insisted her cousin was a "naughty" young boy. "He would pull my hair and run off with my *dupatta*; but I am proud of him and I want God to give him more success." She looked at her cousin, still dressed casually in a T-shirt and slacks. "Oh, he was also fond of photography." This trait was in evidence. Every two minutes, their host snapped another picture.

Early the next morning a train took us from the Howrah Station through palm-shrouded villages surrounded by rice paddies to Kharagpur. While Gupta continued to click away with his camera, I spoke with several of his friends.

Jassie Khurana, now a resident of Toronto, Canada, was the first student Gupta met at IIT. Since education figured so prominently in Gupta's sense of charity, I asked Khurana if his friend was ever serious about his studies. "Are you kidding? He was a lousy student; but he had

lots of savvy! When he won his scholarship to Nebraska, he came running to me, waving the letter. He wanted to celebrate. Since we were both broke and I was one year his senior, I sold his bike so we could have a good time. I got him a rental to use for the rest of the year." Khurana laughed and glanced at his friend. "But that guy created solid bonds with everyone he met at IIT. When I went to Canada, Vinod drove all the way up to Toronto to see me. He's a true friend."

Air India Captain T.P. Chopra, who had been stationed at the Kalaikunde Air Force Base near IIT, seconded this assessment. He said that Gupta and his fellow students frequently came to visit. "They were looking for food and liquor. We were looking for company. I never thought that he would be successful until he started his business. Then I saw he had initiative and leadership acumen. But I never doubted his compassion."

The former Secretary of Tourism for the Government of India, Billou Goswami, who met Gupta in 1965, related this anecdote: "Last November Vinod and some of his American friends came with me to Corbett's. Just by chance, we visited a small school for about 30 children of mahouts. It was right in the core of the park, and tigers and elephants were on visiting terms with the students. The school was okay, but these seven guys pooled together a lakh to upgrade the facilities. It was totally spontaneous—a fabulous gesture."

When we arrived at Kharagpur, it was hot and the air was heavy with humidity. At 10:45 a.m. we filed into IIT's S.N. Bose Auditorium. Gupta wore a dress shirt and tie under a borrowed, wool suit jacket. Disguising his discomfort, he chatted with many of the 500 people who filled the wood-paneled room—dignitaries, instructors, students, and, of course, his personal guests.

Gupta then took his place on the dais with the director of IIT, K.L. Chopra, and the chairman of its Board of Governors, L.M. Thapar. He beamed as his parents came into the room and were ushered to their special seats of honor. A hush preceded the entry of President

Sharma who was escorted to the dais followed by the West Bengal Governor, K.V. Raghunath Reddy. A group of IIT students led the assembly in the singing of the national anthem.

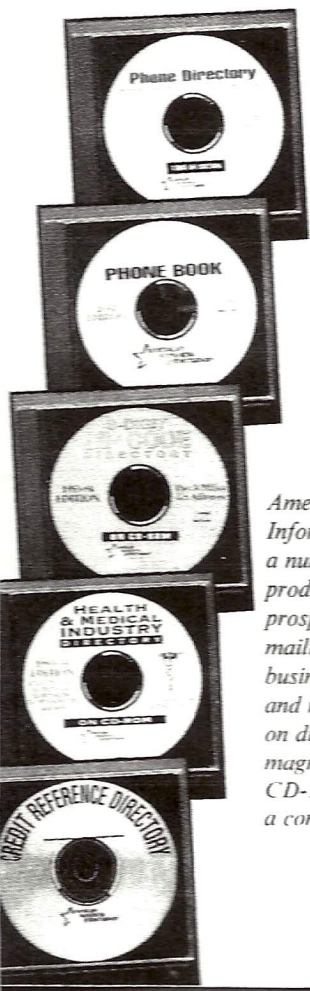
When Gupta spoke, his voice wavered. He said that when he heard the Indian national anthem after a hiatus of 27 years, he remembered every word. "It gave me goose bumps. I am a citizen of the United States, but I have not forgotten my roots."

He paused as if to soak in the moment's importance before he continued. "I came to IIT from a tiny village and I discovered a different India: Students spoke different languages, had different cultures, even ate different foods, but I realized that we were all Indians. IIT changed me and that's why we former students must go into a partnership with the government to fulfill today's educational needs. It's essential for engineers to have a background in management and it's just as essential for managers to have an understanding of technology. I also want to thank my adopted country, the USA, for providing me with the opportunities and the wealth that make this gift possible."

In his address, President Sharma summed up the significance of the gift and the person: "I hope that its realization will serve as an inspiration to others in different parts of the world who are interested in seeing this nation develop, and who realize that the greatness of India should be the pride of every Indian wherever he is."

On the flight back to Delhi, I sat with another guest from the village, Gupta's elementary-school teacher, S.C. Jain. I asked him about his former student. Jain smiled. "He didn't give any promise. He was an ordinary child." He watched Gupta, comfortable again in a T-shirt and shorts, taking pictures of his friends. "But he cherishes old values. Many have left for greener pastures, but he has allowed us all to graze along with him. He's a *pukka* patriot—a gem of a man." □

About the Author: *Kathleen Cox, a former columnist for The Village Voice in New York, is based in New Delhi where she serves as the South Asian editor for the travel book FODOR's.*



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