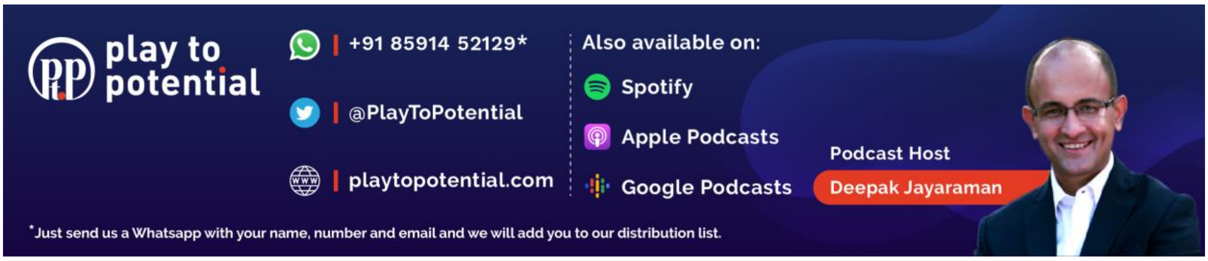

Guest

Amit Chandra heads Bain Capital in India and is a Managing Director in the Financial and Business Services Vertical and a member of the Asia Pacific Private Equity team and a part of its leadership group. Before joining Bain Capital Private Equity, he spent most of his professional career at DSP Merrill Lynch, a leading Investment Bank in India. He retired from DSP Merrill Lynch in 2007 as a Board Member & Managing Director.

Amit is also a committed Philanthropist. He and his wife Archana (CEO - Jai Vakeel Foundation and Research Centre) aim to donate 90% of their wealth to social causes. He has moved to a part-time model in Bain Capital where he devotes 50% of his time to Bain Capital and the remaining 50% to Social Impact and related topics.

In our conversation, Amit spoke about his formative years and his early career choices including the decision to come back to India after an MBA in the US and join Investment Banking. He spoke at length about how he was able to have a successful career in Investment Banking despite his style running counter to the prevalent “wining and dining” culture in Banking. He spoke about how he thought about the transition from Banking to Private Equity and related that to his life goals and how they had evolved over time. He spoke about how he has cultivated an apprenticeship culture at Bain Capital. Finally, he spent talking about how he has been strategic about spending his time and money towards social impact related topics.

Context to the conversation

Welcome to the 27th conversation at the Play to Potential Podcast. A series of reflective conversations with accomplished individuals across various fields on three broad themes – Leadership, Transitions and Careers. Some of the past guests include Nandan Nilekani, Zia Mody, Vinita Bali, Vishy Anand, Avnish Bajaj, Rama Bijapurkar, Jay Panda, Amish Tripathi, Atul Kasbekar and the like.

I am your host Deepak Jayaraman. I am an Executive Coach and I work with leaders and organizations play to their potential by engaging with them during periods of high stakes transition – personal and organizational. You could visit transitioninsight.com for more details.

My guest this time is Amit Chandra who is the Head of Bain Capital in India and a committed Philanthropist. He was part of the founding team in India.

In our chat we spoke about some of his Key decisions around transitions

- How he picked the job with the lowest pay and the lowest title after his MBA
- His decision to join PE after a career in Banking

- Part time at Bain cap when things were going well

- He spoke at length about how he was able to carve out his own unique style in Banking where the default style was to wine and dine

- We spent some time decoding the notion of apprenticeship in Private Equity and how he has cultivated it at Bain Capital

- He also spoke about how he has slowly gravitated towards spending more and more time on Social Impact issues and talks about how he strategically thinks about where he spends his time and money.

Without further ado, over to my conversation with Amit Chandra.

Transcription

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Deepak Jayaraman (DJ): What your Pie chart of time looks like today? Talk to us a little bit about how you manage your time and why you do what you do today?

Amit Chandra (AC): I am not sure my time allocation is anything that looks like a normal allocation of time. I actually spend two weeks or two and a half days of week working for Bain Capital and I spend the rest of the time working for on social sector and objectives that are dear to me and my wife, so normally what I do is at least Mondays and Wednesdays go into the office at Bain and then normally at least for half a day some other day of week depending on when meetings get fixed I go and the other days of the week I either coming to our foundation office or I am out in the field depending on what the requirements are. And then of course I try to keep the weekends free for family as far as possible.

DJ: How much of whom we are get shaped by our childhood and if you had to reflect on how much of the Amit Chandra of today got baked in the first sixteen eighteen years, what could some other themes be?

AC: Probably just a non-Bain capital stuff got at least seeded in the early childhood days in the sense that, my mother always encouraged both me and my siblings to make sure that we were always encourage to be sensitive to society's needs to the needs of people around us irrespective of how wealthy we were, so of course growing up we were from a middle class family we didn't have wealth but we had capabilities and so we were encouraged to use those capabilities which were basically education to do things for people who didn't have education and so I remember early days my elder sister and me spending time, you were trying to educate folks, teach them, trying to make them literate encouraged by my mother. I also remember my father always trying to reach out and trying to do things for the workers who used to work for him and so I think there was always sensitization towards folks less privilege, and I think that sensitization seeded something in us.

DJ: Cutting to the present in the context of how you think about parenting given the wisdom of the journey you have had and the work you do in the field of education today how do you think about the parenting or the role of the parent in shaping the child for the future?

AC: I think the role is needs to be less prescriptive and little bit more that of a friend and a role model and I think that's what our parents really did for us, they led by example, they didn't force us really to do anything, they nudged us and if we really went too far from a guardrail they try to get us back but they really never demanded that we do something so I think that in my mind is a far better approach and I think that's the approach that my wife and I try to choose to follow for our daughter as well both of us are deeply involved with the social sector she spends 100 percent of her time running a not for profit and I spend half my time, in conversations at home obviously therefore tend to be very anchored around developmental issues in the social sector but we don't have any expectations that our daughter will basically be inclined towards it. She has somewhat of a natural inclination and we have been exposing her to issues in the sector, she is twelve years old and she is beginning to a naturally exhibit some flare for it she is sensitive to issues around her, but we have never tried to be prescriptive about them.

DJ: Going back to your career in choices you went to Boston College for your masters and then did you get into the Banking just after that? So just talk to us about how do you think about that fork in the road and how did you pick banking? And more importantly given your journey with the wisdom of hindsight what's your take on the questions people should ask themselves before they pursue a career in banking?

AC: My choice for banking was driven by was actually relatively simple I had already moved from the engineering to pursue my MBA, I actually loved my engineering at that time and I went on to do my MBA mainly because I felt that I was deeply ambitious and I wanted a more accelerated path and I think in the late 80s, early 90s to have a more accelerated career growth you really needed to be an MBA, India was just about opening up liberalization had happened and if you were quantitatively oriented banking seemed to be a great option I also was very clear that I wanted to come back to India, it was an unusual choice to make at that point of time but I wanted to be back rather than spend the rest of my life in the US pursuing the American dream.

DJ: and what drove that? Desired comeback.

AC: I personally felt somehow intuitively felt that I wanted to be, I would rather be a big fish in a small pond than be small fish in a big pond and I am very social animal I wanted to be close to my parents and my friends and I think it's a combination of all those factors that chose me to comeback rather than kind of just hang around in the US on graduation so I decided to come back to India I actually felt that the opportunities here would be far more exciting given everything that was happening in the India and so I decide to comeback and I think which was probably the right thing to do.

DJ: I was curious, you mentioned quantitatively oriented I was wondering there's quant element of the Banking and there's sort of the investment baking did you think about that? Was that at consideration?

AC: Yes, I personally felt that I am also very relationship oriented, so there's always the opportunity to be like a trader, I personally felt that would be much better as a person who would be more on the investment banking side than someone on the trading side so eventually that's how I landed up in investment baking.

DJ: One thing I am also curious about is the misconceptions when people join a path having been in banking for a while any insights into what people often get wrong when they get into baking?

AC: I think people get a lot of things wrong when they get into baking and I think banking has also changed a lot over the years I think when I look at my own journey in Banking and I look at the other journey that a lot of other people had in Banking I think people get the glamour part of it wrong, there's a lot of hard work in banking that you have got to do, you have got to really put your head down and work extremely hard and I think I am very fortunate that that's what I did for many years in a non-glamorous sort of way there's people think that it's a lot of what wining and dining to get to the top I feel really fortunate that I didn't have to do, a lot of that in fact my boss and guru Hemendra Kothari used to often joke about the fact that he never had to sign alcohol and party bills on my name, he used to ask what kind of a banker you are? He still jokes about that even now when we meet.

DJ: If I may use a golfing metaphor how do you overcome that handicap of not socializing thorough drinking?

AC: I used to not socialize much with clients actually in the partying sort of way is to spend a lot of time with client's price to spend more time with clients building, enduring relationships in terms of getting to know them well and trying to add value to them, so there were more deep relationships than superficial relationships so I think there were always this, and I think people used to try to build superficial relationship and I think clients has to understand that so there were a lot of myths about Banking but I think those myths were two ways I think clients also used to see through superficial relationship builders and they used to then treat them in a particular way. I think there were also myths in banking, to get to the top you needed to move from job to job and move very quickly I spent pretty much all my career in one investment bank, I had a short stint as a consultant when I came back at one place where I quickly joined DSP Merrill Lynch and that was pretty much the only place I spent all my life in Banking and I retired from there at the top and I looked around a lot of people who basically tried to make multiple moves around me and sure some of the moves got them to a better place from a compensation point of view but eventually that caught up with them, so I also realize that there were, this whole jumping from place to place was much more of a sprinting versus a marathon kind of a metaphor, so there were a lot of these myths which as I look back, I think my learnings was that they got shattered based on my journey relative to the journey I saw a lot of people undertake.

DJ: If you had to decode let's say the journey at Merrill Lynch and be a little immodest about it yourself what would you attribute the rise to the top and I am also curious about whether there were one or two key transitions that were a part of that journey that you had to make where the game changed?

AC: No, I think it was, first of all I do think there was, I was very lucky that I was at the right place at the right time no doubt about it, luck does play a role in your life and I think I chose to join DSP it was interesting, I had multiple job offers at that point of time, DSP was actually the job offer that gave me the worst title with the lowest pay and yet I made it accepted it and I accepted it because I was very clear it gave me the opportunity to get the best grounding and learning

DJ: And how did you discover that as somebody coming in?

AC: I was actually very lucky in retrospect, I was very thoughtful about that choice, when I looked at all the other choices I paused very hard and thought about them, it's interesting one of the job offers was from Bearings and it was a very small team, Bearings had actually just entered India it was very fashionable to work for a global bank at that point of time but when I looked at it, it was, I just saw a very small team a big pay packet and a small market share and I said when I compare to the opportunity to work with someone who is a market leader with a lower title but I will definitely get like huge exposure it seemed to me a no brainer but lots of people didn't make that choice, I was very lucky because the day that I supposed to join Bearings two days later, Bearings actually exploded the Nick Leeson episode, there was another job offer I had, I won't name the bank because it now by a good friend of mine and often he and I joke about it the fact that I did not accept his job offer but it was for a better title but I actually felt that the grounding I would get at DSP was far better because I mean he was building a firm which was more focus at that point of time on balance sheet, they known investment banking and DSP was much more focused on investment banking than Balance sheet at that point of time and again it was the right call because I think we have built a far better investment bank, so when I look back I think that was a very important decision, often people don't make those kinds of decisions you don't make those trade-offs early on their career but that was a good, very good decision to make so I think I was at the right place at the right time I also got extraordinarily great mentorship at DSP my first set of bosses were just superb, I had some bosses who you won't have heard of but they were folks, I was reporting into the Meryl network who were very hard on me, very tough guys used to give me brutal feedback, who really beat me into shape, taught me a lot of the finance that I know and then consequently I started getting exposure to Hemendra Kothari who was once a year gave me or told me something positive but really taught me the value of ethics both work ethics as well as business ethics really taught me the value of humility in the business nurtured me to become a business leader and held my hand as we were growing the business, so I was very fortunate to have such a great mentorship at a very young age and of course I think we have built a great business, I think we really built an industry leading business in those years which was very satisfying.

DJ: People often talk about the mentorship especially in the early years, if you had to decode the elements of that mentorship that people need to get right, are there any themes that emerge? What do good mentors do?

AC: I always tell people that one of the things that, you are obviously blessed with being born into the right family but you have to really earn the blessing of building the right mentors and then one of the most important things in life consequently is the blessing of the choosing right life partner but on mentors it's so important to have the right mentors because all through my life I have had extraordinary sort of mentors I have thought always followed their advice but I always make sure that I have great mentors for my life and I always had Hemendra but I also actually had great mentors in clients, I had people like Mr. Noshir Soonawala at TATAs, I had KV Kamath, Kalpana Morparia. I even had few others who I had very good close relationships with, who I could bounce things of whenever I had situation. I think what people really provided was you have go through situations and just the ability to talk to someone who has a lot of experience and depth is very valuable and the process of talking to them sometimes in itself provides you clarity and of course their own experience, sometimes answers come out of those conversations, you may not always choose to follow their answers but I think it's, they always very valuable perspectives, make you sometimes pause think about what course of action you are choosing, so I have always found that an extremely valuable process.

DJ: And is that some sort of an informal dynamic that emerges as you build trusted relationships with the ecosystem or is it more explicit…

AC: For me it's always been informal, it's never been formal, I have never thought that I am going to make this person a mentor, any of these names that I have mentioned to you I don't think that these are the names I have consciously choose to make as mentors I think they are all names that have kind of become, like I have a great relationship with Kumar Mangalam Birla I count him as a great friend and as a mentor, someone I can have conversations with whenever I have an issue I didn't consciously think him as a mentor or I never thought of him as a mentor but I can go and have a conversation with him should I ever need to, so these are not conscious choices these are things that evolve over time but it arises out of having built a trusting relationship with someone who were a long period of time.

Reflections from Deepak Jayaraman

DJ: Hi – This is your host Deepak Jayaraman here. Just a quick comment here. This segment reminds me of an earlier chat with Pramath Sinha (PS) and how he thought about his Personal Board of Directors.

PS: *"if you look at my board of advisors, my PhD advisor who I did my PhD with nearly 30 years ago is somebody I still stay in touch with she is now at University of California Barclay, so every time I go to California I actually spend time with her and hang out with her now again she is not straight related to what I do where I was here to was that ultimately people who inspire you regardless of whether they are related to what you do are on my board of advisors because just meeting with them just time spent with them pushes you onto think whatever you are dealing with better or do something you are struggling with better and so on so I think she is one example of somebody I have on my board of advisors. Rajat Gupta who was the MD of McKinsey and I have spent a lot of time with building ISB and of course Rajat got into quite a bit of trouble but you know as person he has been amazingly inspiring and particularly with all the troubles he went through with his case and then and then being in jail and out of it, so I really admire Rajat, I have always admired him for his ability to think big and yet retain a certain humility and certain commitment to making other people successful so I stay very close to him and he is one of clearly my heroes inspired of everything that has happened to him and for him one of my investors Sanjeev Agarwal of Helion is somebody that I really look up to Sanjeev is a good example of somebody who was an entrepreneur scaled up a business came in investor I have to say that despite being an investor his selflessness and his almost detachment which then I think helps hem give you very sound advice, even though he could be seen as in conflict has been quite remarkable for me and I find that very inspiring so varied three very different people, as you say who's there I would say that I could immediately think of these three people who really have been great guide posts overtime"*

DJ: The key takeaway for me here was the notion that there is no one formula towards finding a mentor. The bigger piece is staying in touch with some of these people who come our way in an authentic manner and reaching out to them as appropriate especially when we are faced with seminal moments where the choices we make can have a profound impact in our journey.

The biggest favour we can do ourselves is to have the benefit of discerning well-wishers weigh in with their perspectives for us to consider when we have to make tough decisions.

Just a quick note on how you could access the content at the podcast. You could get it at iTunes, Stitcher, Saavn or any of other places where you normally get your podcast. But that may not allow you to navigate across speakers by theme. If you want to do that, you could go to playtopotential.com and navigate through any of the tags along which content is organized.

If you find the conversation purposeful, do rate and review on iTunes. It will help others discover the podcast and seek value from it. Now, let's get back to the conversation with Amit.

DJ: In your mind where do you see the delta between being a good service provider who provides a certain service on the contract whether it's a Consultant or a Banker or a Lawyer to becoming a person who can take the liberty of reaching out to somebody else for council what's the delta in your head?

AC: For me there has never been a dividing line and the reason there has really never been a dividing line is because I have always looked at a relationship in its purity I have never exploited a relationship never misused a relationship, I can completely understand when someone needs to do something for their own interest so I do not have any expectations, commercial expectations form a relationship if anyone of people with whom I have a relationship needs to act in their best commercial interest I can completely understand that and there have been situations in the past when people have chosen to act in a particular way because of their own commercial interest for the sake of the organizations that they are represent and I fully represent and understand that but for me the relationship has a greater and a deeper meaning and I will always help them, work with them, respect them beyond that relationship, it's not transactional and so those relationships are there for endeared my any positions that I have held.

DJ: What sort of situations do you see the relationship being put to test in your journey, what are those points in time or what are those characteristics of those moments, where you need to sort of lean into the relationship than the transaction?

AC: With any person, forget mentors, I think the only time when relationships are really put to test is when you are, when someone judges for your actions and sometimes you will take certain steps in your life and there are times when sometimes someone will second guess you I think that's the only time in my mind that a relationship really gets tested, otherwise in my mind I think relationships, don't really get, they really endure in most cases people know that if you have a relationship and you are a principled person you will always act in a particular manner but I think there will be some people who do not understand that and I have had very few instances in my life where actually that has happened.

DJ: Moving forward talk about the transition from investment baking to private equity how did you process that fork in the road?

AC: I think there were two things that help make that transition I think the first was that, I felt that I had actually pretty much achieved what I wanted to achieve in investment banking and it was odd, I think success to some extend came to me a little earlier in investment banking I did not really anticipate that by my mid 30s I would really have the opportunity to run the country's largest investment bank but having run it and really DSP having achieved that success that it did and the sale to Merrill having happened when it did to some extended made me kind of evaluate what I wanted to do, so I had a lot of questions. whether I wanted to really spend another five, ten years in investment banking as I begun to ask myself, I used to go and ask, have a lot of conversations with Hemendra and that process had started actually a few years before I left and Hemendra used to joke, he thought I had hit mail menopause too early but I was beginning to get very impatient with, despite the fact that I was achieving success, I was beginning to get impatient with whatever position in I was at investment banking at DSP and so I was beginning to kind of go through self-reflection exercises thinking about all kind of purpose of life and broader issues, around that time I began to feel that I wanted more time to myself to actually spend a little bit more time on social sector stuff and I realize that I would not be able to do it in an investment banking construct. I also felt that I needed to may be having a career 2.0; I could not do investment banking for another 15 years of my life. It was someone natural that private equity was kind of a the natural choice and the reason being that while I would learn something completely a fresh in the sense that investing skills were somewhat different, at least some of the building blocks were common so I felt I would be sufficiently challenged and I wanted to be challenged but yet I could at least use what I had in my relationships and some of my toolkits so I felt that it was a good choice but importantly in an investment banking construct my time was not my own it was completely hostage to my clients and to the firm and here at least I would be able to spend a little bit more time to myself, to my family and do some of the social sector staff that I was beginning to get more excited and interested in, so I felt this was actually a relatively good choice the more I thought about it makes sense and fortunately for me the last few years that I spent in DSP I had actually begun to transition away from investment banking and built the Principal businesses of the and that was the big part of the success we had at DSP in last few years big part of the value creation when we sold the business to Merrill was actually the principal books and so I had already begun to understand the principal investing side of the business it was kind of a little bit of a natural transition and so it actually worked pretty well.

DJ: Similar to the question I asked when you joined banking having done private equity for a while, what are the misconceptions you see at the point of entry when people get into this profession, what question should they ask themselves, before they take the plunge?

AC: Like anything else, this is apprenticeship business it takes time to learn it I realize that if I look at my run in private equity I have a career 1.0 and a career 2.0 and my result in career 1.0 versus 2.0 are very different it takes time to learn the tricks of the trade I am far more better investor now than my early days, it takes you a lot of time to understand the tools and you need to work with people who have done it earlier to get to a stage where you really gain the confidence and are able to avoid making mistakes you can always learn the hard way and make the mistakes to yourself or you can basically work with people and let them hold your hand and avoid making that mistakes so often I think when I look at it private equity in India in general, if you look at the history of private equity, there are a lot of mistakes have got made and I think the reason a lot of mistakes have made is because a lot of people entered and didn't have the benefit of apprenticeship and so a lot of mistake were made but I think this is the business which requires apprenticeship.

DJ: When you say apprenticeship just expanding on that are there one or two sub themes you want to shine this spotlight?

AC: When I say apprenticeship I just mean that working with people who are basically seen the movie before and who have how the other side acts, behaves as what to do and what not to do? So when you get in you can avoid making the same mistakes and so if you actually get in and you work alongside with these people for some period of time then that helps you avoid making those mistakes and you can them gradually get into your own groove.

DJ: And the related thing I am curious about is the mindset shift that people need to make when they come from one domain to another, Bain Capital for example you have people from consulting firms like McKinsey and you have prior bankers like yourself. In your mind not so much the skillset shift but the mindset shift, what's the shift that people often struggle to make, what's the bridge they need to cross to become effective at private equity?

AC: So, I think the shift that people need to often make is, you ultimately have to act so often when you come from a consulting bias you will have analysis by analysis and so your bias may be not act, if you come from a banking area you may have tendency to act very quickly. So you may have different sets of biases in the same firm and the question is how do you actually come up with the right answer, the right answer is to act at the right point of time. And that's where committee process is very valuable.

DJ: And what is the feedback process work? How does it work in a system where you probably get the feedback on an investment over may be a five year or seven year cycle, so with that sort of a lag in feedback, how do you get better as you go through the journey?

AC: If you look at it, most investors in this business actually mature and keep getting better over time. This is a business, which is why I said this is apprenticeship business. In Amy apprenticeship business, 'Apprentice' gets better over time and then gets the next person who become his or her apprentice and starts getting that person better over time essentially if you look at it in this business, you essentially come in and its fine you may make mistakes in the initial years but as long as those mistakes hopes small dollars you are Okay and then you kind of get the right to increase, enhance your bets and you keep getting better over time, actually what happens is careers in this business can be quite long, you find people actually having really long tenures with great track records, so most of our partners are people who have 10-15 sometimes even longer years of investing with like awesome track records.

DJ: Going back to the point that you made Amit about, Amit investor 1.O and Amit investor 2.O what have been the biggest shifts in that transition from 1.O to 2.O what has changed in you?

AC: One is clearly you learn from a strategy point of view, strategically you look at what work and what doesn't work so you start evolving your strategic frames better and that becomes very helpful, so you say ok this strategic framework doesn't work, this strategic framework works and so you make better strategic bets, the second is you start understanding people better so you say these kind of people bets don't work, these kind of people bets work and that is what in some way investment is all about its about combining those two things, it's the combination of making the right kind of people bets overlaid with right kind of strategic works when you bring those two things together you actually are able to make great investments of course and the third is Timing, it about making, doing all these things at broadly the right time, it is like a cricketer little bit, the same shot played one second earlier or one second late can get you very different results so you basically start improving your timing as well.

DJ: One element I am curious about is this notion of judgment, business judgment is sort of a fuzzy term but in investing given your experience how do you build good judgment? What's been your learning cycle in getting better at judgment?

AC: I don't know whether I can give you a three bullet point answer to this question because at the end of the day this is about something that you get a sense and feel of, when you get into situations and you assess and overlaid of people you interacting with and the framework in which that situation exist because the fact is sometimes even the same set of people in two different situations you could have very different outcomes but I think my own sense is that when you are actually going and assessing investments, what you have to do and I think what you do get better with in terms of overtime is you start probably using inputs in a better way and I think where I look back I had areas where we have gone wrong versus right, I think what we have got better at is using external inputs in a more thoughtful way to make the same judgment calls now I can also tell you that sometimes there have been certain judgment call that we have made which the inputs that we have got would have told us never make these calls but yet the judgment we made was to go ahead and those call have been landed up being awesome I won't name the situations but they were actually been great calls because actually in this market consensus drives you to consensus evaluation and to make disproportionate returns sometimes you have to go against the grain and that is what great judgments calls can often be about, so sometimes that is what great judgment is about but we never the less what we got better at is actually getting those inputs in and then in a very thoughtful manner making those judgment calls so I have overtime started getting more better and better at getting external inputs and the one area that we definitely never override is inputs relating to integrity character because I think that is where we look back where maximum mistakes suddenly got made in the industry per se. it's when calls have got made despite issues relating to that.

DJ: Back to the theme about apprenticeship and a learning curve of a professionals in this industry, if you look at industry as a whole and look at people who have really driven themselves towards excellence are there some patterns around how they have manage to scale up? I am not looking for a process or a three bullet answer but I am curious about how does one ramp up the learning in an investing context?

AC: What you do, which is what we do is you relentlessly analyse the results of you own action and the results of other are, and so we do that endlessly and then you tend to see whether that analysis is teaching you something so we try to do as much of that as possible, you don't force yourself to conclude, sometimes people just force learnings from staff and but often that data does throw up interesting set of learnings so we tend to do a lot of that

DJ: and is that collective reflection or individual reflection?

AC: Well that's collective, we believe a lot in collective learning we tend to function a lot as a group we believe a lot in in the group challenging itself and in having a counter point of view in seeing what a group can throw up as an outcome and so we tend to do these things as a group.

Reflections from Deepak Jayaraman

DJ: Hi – This is your host Deepak Jayaraman here. Just a quick comment here. This segment reminds me of an earlier chat with Avnish Bajaj (AB) and how he thought about sharpening the investing muscle in a Venture Investing context. Avnish is an investor at Matrix Partners and has been a banker at Goldman Sachs and an entrepreneur at Bazee.com before he sold it to EBay and got into Investing. When I asked him about how he built the judgment muscle in his trade, here is what he said.

AB: *"you have to have that self-learning loop because if you have to wait till exit or right off before factoring those new learnings in your next investment, Warren Buffett I was just reading from this soma thing it was been covered in the number of papers I mean he man Charlie, Charley is I think 93 and this Guy is whatever 86 or 90 they still say they makes mistakes and they love and I have seen enough 28 years old in this business who think they know everything , and I am not talking about the Matrix because if they hear it they will think it's them but I have seen enough of that, so I think it's come back to are you taking that learning loop? So how do I look at it? One of the early indicators of the success of a company again as you mink it's a great founder, but how do you determine whether it's a great founder? Is I would say the best people meet or beat their commitment consistently now, in early stage that doesn't mean that you have to hit every quarter it's impossible but the best guys is that we have backed, there is an element I would say in life, in success, in businesses which are more ambiguous, which is investing as well as start-ups of I don't know if you have read this book Super Forecasting, it's a great book, you should read it, it talks about anticipating issues and then kind of taking actions and then low and beyond everybody says wow this guy is such a visionary, figured it out, but they are able to match patterns and do that"*

DJ: I read the book Super-forecasting subsequently and the book talks about the metaphor of a dragon fly which is able to look at an object through multiple prisms. The book says that people whose beliefs are in perpetual beta and amenable to change based on data do a much better job of predicting the future than people who are off the charts intelligent but might be rigid in their world view.

I guess each business context is unique but the key question is what is the nature of the feedback loop or learning loop you want to set for yourself to improve your judgment capability over time.

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DJ: In an environment where you are leading people who are super smart, type A, strong points of view how do you see the role of leadership?

AC: I have been very clear and this is something I have learnt from Hemendra early on which is its very important to do a couple of things for your own sake especially if you love the institution that you work for, you must a hired people smarter than you and B must try to foster having a great operating environment and why I said it's just not good for the organization but for your own sake is that it lands up being great for your own growth Hemendra explained to me why that's the case and the fact that I am sitting and having this conversation with you here while I have a team working at Bain Capital is good testament to that, I would never be able to do what I am doing for a few days of week if I didn't have a great team at Bain capital. So my own personal objectives would be massively compromised if I did not have high quality leadership, which I had nurtured right from the start because it takes time for people to get there, you can't switch on and off leadership like a spigot all these guys have three managing directors now in the office it takes 8 to 10 years to build that kind of a bench all these three guys are guys who were I hired in the first year or the second year of the office opening so these are seeds that were sown at that stage.

DJ: And if I may be double click on that apart from technical skills what do you look for and what did you look for at that stage?

AC: I am not overly analytical when I hire talent, some of my guys tell them when they hire unless I am probably the easiest recruiter relative to all of them for me actually I focus a lot more, my interviewing style is a lot more focused on the personality of person the persons likelihood to fit into team culturally, much more is the persons well rounded, I look for fire in the belly and look for if the person overall going to be smart, I am not looking for the genius, sometimes our guys look for the genius and I don't look for the genius, is landed up that all three are exceptionally bright but I think at the end of the day broadly what I look for is people who are smarter than me, which is not very tough, I am generally above somewhat average but I am not exceptionally bright so I look for people who are broadly smarter than me, who can add something to the group, and then I try to build a good high quality working environment in which people have the ability to sit around the table and have a good conversation, culture of the office will be good, they will always feel that there is opportunity to grow, it is always be a meritocracy and at the end of the day they shouldn't feel like getting up in the morning and coming to work broadly if people feel that much has achieved you are home, you don't have to complicate it, people try to bring in all these extra tools and make it extremely fancy, I think if you keep it by enlarge simple I think it works so that's what I have tried to do and with that its broadly worked.

DJ: Is there anything to be said about creating a sort of a nurturing culture or apprenticeship culture in an environment where you end up hiring very smart people? Are there any challenges to be watched out for?

AC: No, I think what you need to do with each person which I try to do is you need to make sure that they feel that you are investing in them so I do try to make sure that I have tried to at least take interest in their investments that they don't think that it is purely a transactional where there purely to fulfil a job which they could have filled at any other place that they have brought visibility that they are part of the mission of the organization and I have tried to make sure that there's we always palms up that there's no surprise that they will have I think that's very important so over the years the one thing that I have been extremely focussed on as an organization is that no person who has joined the organization not one will ever leave the organization without landing on to your feet, the way private equity works or consulting works or investment banking works the fact is that everybody cannot get promoted it's a pyramid, everybody knows this so you recruit certain number of people and the way progression works everybody cannot go up the pyramid with that fact how do you treat people who do not go up the pyramid is absolutely essential and that is a critical philosophy that I have tried to manage in the organization on the differential basis to make sure that people who are not moving up have early visibility about their prospects, point number 1, point number 2 that we go out of their way to help them land on their feet that we move heaven and earth to make sure that they are, that when time comes that they land in such a way that they feel not just the organization but individually the leaders with the organization did everything possible to help them I think is absolutely critical if you are able to do that then you have done achieved a couple of things, one is everyone in the organization, you have sent them a signal on how you want to treat each person but second you actually created ambassadors even if they added competitors so I think that is the critical philosophy at least for me.

DJ: You spoke about spending about two and a half day at Bain capitals and the remaining two and a half on social impact couple of questions, talk to us about how that transition happened when you move from a 100% to 50% if I may use the term loosely and second is how do you think about the non-Bain capital time and how do you think about an impact? And how is that changed?

AC: The transition has somewhat happened gradually over a 15 year period or so we have been gradually enhancing by we, I mean Archana and I have been gradually enhancing our exposure to the social sector, she of course made the transition first, she moved many year ago to the social sector full time first to Akanksha then to Jayvakil which she runs I started spending time on boards of not for profit, my first board was actually a not for profit Akanksha and then I joined the board of Give India we started actually writing cheques into the social sector very much from the day of our marriage and we always had a target of what percentage of our income we will donate every year, gradually we kept increasing it first it was single digit then it became 10% and them we kept increasing it every year and then at some point of time in our life we decided that we wanted to pretty much most of our income every year to the social sector to causes we were really passionate about and at that stage when we got there we realize that if we wanted to do that thoughtfully then I needed to spend more time as well I also looked around at some of the people who I really respected and I realize that they were able to make a lot of impact with their time people like Nachiket Mor, Venkat Krishnan, Ashish Dhawan, Pramath Sinha, so I decide that it made sense for me to do that, that's why I started spending a lot of my time alongside Bain capital initially, and on weekends and etc. and then it begun to cut into my personal time and I didn't liked that so when we actually raised our last fund, I actually went to the firm and said look I would like to spending more time and the firm was kind enough to say that they were ok with me to moving to a part time role because the leadership in India was ok to take on day to day responsibility to the India office so actually we officially put in our fund documents that I would spend half of my time with the firm so on our last fund that's what we did that's when I actually said, rather than work out of the office I will actually physically create space here and start building a team here as well to handle some of the projects because our operations are now pretty large in scale so now I actually operate, when I am doing Bain capital work I operate out of there and when I do my non Bain capital work and I am not travelling I operate out of here, our team actually sits out of here and they have a lot of our meetings actually out of here.

DJ: And what is the work cantered around?

AC: So we have actually four verticals that we focus on our oldest vertical is education and education we help basically anchored, I am the founder of the Ashoka and sits on its governing board we have also built a few schools we have also been very much involved in building the Design for Change movement with Kiran Sethi and then our second vertical is health in health we have been involved in building children's hospital SRCC children's hospital which Devi Shetty runs our third vertical is capacity building for the social sector that something that I am very passionate about I have always believed that you can't build a sector unless you build leaders so we basically run two major programs, two major initiatives in social sector, one is four platforms for building social sector leaders to in Partnership with Dasra called leadership potential, accelerator potential one in three way partnership with Harvard, Ashoka, Dasra on, Ashoka is a campus called SNMI and one where we send exceptional leaders from India to Boston at Harvard business school between these we train about 200 social sector leaders every two year so there's a set of programs that we run for social sector leadership training every year with theory there is over a ten year period hopefully about two thousand leaders will get trained in the sector and then we have set of initiatives that we run in about 25 what we call break out Not for Profits where we make target investments in their capacity these are essentially things where donors will not fund anything which is not planned, things like training, MIS hiring a central cause, anything central so we will make all those investments which will help them break out so OGQ we have funded their COO's cost so that Viren can focus on things that matter. So things like that. So we handle about 25 exceptional NGOs out of this office who we have worked with over a long period of time to help them scale by making such investments in then. Within capacity building we also do promotion of philanthropy through a bunch of other targeted investments being done over time and then our fourth vertical where I actually spend most of my time is in water sustainability with farmers, and village transformations which is all basically rural initiatives where we are actually working on mission to make Vidarbha and Marathvada most of Maharashtra drought proof over the next four years.

DJ: And given sort of the universe of problems to be addressed and finiteness of time how have you thought about A – which causes to go after? And B – the mode of intervention, hi touch versus investing versus mentorship versus boards?

AC: So it's actually evolved over time, the water is the one which I most actively personally involved with and that has come up mainly because, it's something that touch my heart directly and I realize that it was something which was completely solvable as a manmade problem and I figured that there was a intervention which if we focused on, we could eliminate the problem so as I decided to put as much of my time and money behind it so that's how I basically got completely involved with, capacity building again because of kind of a business approach to things it just seemed like when we started allocating our capital, we decide to talk to a lot of leaders and went and said we have finite amount of capital and there are so many problems to solve what would be the best return on capital and so when we spoke to multiple people one person told us that actually for anyone like you who is willing to put high risk capital who is looking for highest return on capital this is the best area.

DJ: And return defined in terms of?

As social return on capital this is the best area to put capital in this was for many years ago and we actually decided to allocate capital to that, and education and health actually legacy investments for us but we landed up seeding to institutions in that area mainly most of the investment in that area are two Ashoka and the Hospital but their legacy investments which both are institutions which are dear to our heart and so those are two legacy investments which we my wife and I both love and we will keep supporting.

DJ: In summary playing to potential for our listeners.

AC: I personally believe that I have always surprised myself with what I am capable of and I keep pushing people to surprise themselves, I remind myself that when I came back to India in 1994 my dream was to retire with one crore of savings in the bank account I always remind myself that my target in the social sector was to donate 10% annual income, therefore I always believed that it is very important to keep revisiting your goals when you achieve something you must push yourself to reset your goals and it's important to that in all walks of life be it physical, be it professional, be it social and I must trace social as well because I believe often people do not set goals from themselves in the social aspect of things which is why I think where society is where it is but I think on potential I think we as individuals are capable of extra ordinary things, we just don't think and organize ourselves for achieving things extra ordinarily often that is because of ourselves something that we are doing is often because of lack of collaboration a lot of what I do I have realized is because I collaborate very well I am so blessed to be part of Ashoka which is an extraordinary project, small part of something big it would never have been achieved it if wasn't for the fact that we are handful of amazing, people who are basically got together to make it happen the hospital that we have made similarly, it's a group of families who have got together and made something extraordinary happen, every initiative the work I am doing in water is a group of really amazing people, all of us travel, I just got back this morning in a train journey from Latur we had great fun, all of us travelling through long distances, but having amazing time working with forty NGOs on the ground there all these things happen because we are a group, all of us working towards a common goal so I think if you want to really realize your potential, of course you need to push yourself to set big targets but I think it's also important to collaborate with people who are like minded, because sometimes collaborating with the wrong people actually gets you down, collaborating with right people gets you up so I am a great believer in collaborating with the right people, I am a great believer as I said earlier of building institutions with smart people and getting great leverage all that is very very important so I think if you really want to achieve potential those things are extremely important.

Reflections from Deepak Jayaraman

DJ: Hope you found the conversation as purposeful as I did. There were three big takeaways for me in this conversation.

1) First is the point around not going too far while trying to reinvent yourself. When he moved from Investment Banking to Private Equity, Amit talks about the fact that he went to an adjacency which will give him new challenges while leveraging the past. Cal Newport, the author of the book "So good they cannot ignore you" calls it the Adjacent Possible. Amit even talks about getting exposure to the Principal business in Merrill before moving to Investing. Several people actually make an internal transition in a certain direction before making the external transition. The question is, once you have a sense of where you want to go, can you architect an internal pathway to build capability in the short-run before you make a more dramatic external switch. Even with my previous guests whether it is Amish Tripathi moving to writing or Devdutt Pattanaik moving to mythology,

there is often a quiet internal journey that the world does not see before the external transition happens.

2) Second, the point Amit makes about treating the people who are leaving the organization with empathy and setting them up for success. This segment reminded me of my last few weeks at McKinsey. When I decided to move on from the firm, they went out of the way to open doors for me, gave me a transition coach who would help me think through the next steps and made introductions to key places given the relationships they had. I have tremendous personal gratitude for Ramesh Mangaleswaran, who is a Director in the Chennai office who prodded me to think about Executive Search as a career option, something that I hadn't even considered at that point in time. Life would have been very different if not for this nudge that came in at such a crucial juncture for me. When I do my leadership development work, I find that if I want to get a pulse of the culture in an organization, I get a really good picture when I talk to some of the alumni. How people on the way out are treated gives me a sense of the kind of human beings that inhabit a certain place. How people treat you when their fortunes are not tied to you is a pretty good dipstick into the culture of an organization. (408-040)

3) Thirdly, it was interesting to hear Amit talk about moving from a full-time model at Bain Capital to a 50% model. When confronted with the objective of spending more time on purposeful matters, people often take a drastic approach to the problem, which is to say, let me quit this place and find something more purposeful to do. But the some leaders like Amit often are able to structure an arrangement where they avoid a drastic shift to a new world and keep it gradual. The key is for leaders to see if there is a solution space that involves a gradual move rather than a clean cut. The other reason I mention it is that in these situations, when people move too abruptly to a new canvas sometimes find it tiring and fatiguing and the notion of spending time purposefully is romantic from the outside, the reality is quite different from the inside. So, dipping your toes gradually and getting comfortable without letting go of your current trajectory is often a pragmatic way of slowly immersing yourself in the Social Impact world.

Thank you for listening. If you find the content purposeful, please share with those that could find this valuable and do take a moment to rate and leave a review on iTunes. For more content from leaders like Nandan Nilekani, Zia Mody, Vinita Bali, Jay Panda, Vishy Anand, Atul Kasbekar, Amish Tripathi and more, do visit playtopotential.com. You could access a full conversation, or access content that is curated by key themes that might be of interest to you. My next guest is Chandramouli Venkatesan (CV), ex Head of Mondolez India. We discuss his recently published book Catalyst where he talks about his take on how people could have a fulfilling career, build good habits, turbo-charge their self-development, make effective transitions and harmonize across work and life.

CV: *"evaluate how well your career is going based on how much you are learning? Do not evaluate how well your career is going based on visible markers versus others if your learning is growing your earning will grow, I always say manage your career for learning, earning follows, if you manage your career for earning neither comes"*

DJ: I look forward to having you at one of the subsequent conversations of the playtopotential podcast. Bye now.

End of transcription

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Nugget from Pramath Sinha that is referenced: Personal Board of Advisors.

Nugget from Avnish Bajaj that is referenced: Sharpening investing skills.

Nugget from Chandramouli Venkatesan that is referenced: Overemphasizing fit in a career choice.

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In Summary – Playing to potential: This playlist captures the essence of what the speaker is trying to say in their conversation. In a way, it captures the key principles with which they have approached life which has brought them to where they are today. They share their perspectives on the mindset we need to adopt as we navigate through life. You can access the playlist here.

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Amit Chandra - Nuggets

- 27.00 Amit Chandra - The Full Conversation
- 27.01 Amit Chandra - Early formative years
- 27.02 Amit Chandra - Joining an Indian I-Bank after a US MBA
- 27.03 Amit Chandra - Factors behind the rise at DSP Merrill Lynch
- 27.04 Amit Chandra - Decoding mentorship
- 27.05 Amit Chandra - Transitioning from Banking to PE
- 27.06 Amit Chandra - Apprenticeship - the magic sauce in Private Equity
- 27.07 Amit Chandra - Building better business judgment
- 27.08 Amit Chandra - Institution building - Leading Type As
- 27.09 Amit Chandra - Moving to a 50% model at Bain Capital
- 27.10 Amit Chandra - Being Strategic about Philanthropy
- 27.11 Amit Chandra - In summary - Playing to Potential

About Deepak Jayaraman

Deepak seeks to unlock human potential of senior executive's / leadership teams by working with them as an Executive Coach / Sounding Board / Transition Advisor. You can know more about his work here.

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