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## Context to the nugget

Ashish speaks about how he thought about entrepreneurship despite the high opportunity cost given his HBS education and employment at Goldman Sachs. He also goes on to speak about his initial challenges as an entrepreneur trying to raise a fund for investing in India despite having no significant work experience in India. He also speaks about the role of mentors and supporters in giving him the confidence to take the plunge.

## Transcription

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Deepak Jayaraman (DJ): And maybe just going back to the point you made about the self-assessment or self-awareness that you are entrepreneurial and I can imagine coming out of Harvard, the opportunity cost was quite high, right, in terms of the kind of placements in the companies that come on campus. So, could you expand on that, where did that hunch come from that you are sort of entrepreneurial in orientation?

Ashish Dhawan (AD): Yeah, I think, again it's a lot of what maybe people said to me and maybe partly the confidence I got when I was at Harvard Business School. So, as I mentioned my dad was a company man and so looking at him the natural thing to do would have been go join a big company and stick with it for a while or at least stay in that universe for a long period of time. It would have been a good... it's actually low risk in a sense.

DJ: Right

AD: My grandfather on the other hand was a hell of a risk taker and that generation anyway had to deal with losing everything in what is now Pakistan and moving to India and so there was a whole different element of risk in that and dealing with adversity and stuff, which I heard about when I was younger. And then, my second job after undergrad but before business school was at a private equity fund actually called MDC and the founder George McCown had been to Stanford undergrad and Harvard Business School, 35 years older than me, but he took a real liking to me. I mean, I was a young guy at the firm and it turned out that he was an Indophile and it's interesting we made a three-week trip to Asia, we were raising a new fund and we said, let's try to get some Asian investors. This was very early days; I joined them in late 1993, so this was in late 1994 that we made this trip. And we spent a week in India and I introduced him to a few people through my dad and George ended up giving an interview to a couple of magazines, Business India, and in one of the newspapers and in that he sort of casually mentioned, he never told me about it, that hey, you know, we have this young bright star Ashish who works with me and by the way he is thinking about going to business school, but I can assure you that he is going to come back some day and do what I

have done in the U.S. which is set up a private equity fund and if he ever chooses to do it, I am there to support him.

DJ: Fascinating.

AD: And I read the... I actually was not there in the room with him when he gave this interview, I read the interview afterwards when I had flown back to the U.S. and it's one of those things where when your boss sort of has this confidence, so I went to him when I saw the other... I said, really George?

DJ: It's a fascinating way of giving feedback.

AD: Yeah, so he... I think having a mentor who just believed that I could do it. I mean, he himself had turned entrepreneurial much later in life. But, you know, he was sort of putting his arm around me saying, listen, I am there for you, just think about doing it much earlier and having my grandfather as one example who kept saying listen you have all the degrees so what's the downside. And so, I think, it's a lot of framing in your mind, I started to convince myself that... frankly people talk about downside but what's the downside. I was going to move back to India, I was going to stay in my parents' home, so I had like a zero cost base. So, I didn't have to be earning a lot of money, I had the support system, I had degrees from good places and a network of friends. So, even if things failed in three to five years, I could land somewhere, I was pretty confident of that. So, what really was the downside in doing something entrepreneurial is the way I looked at it and so doing it very early at age 30 made sense to me because, you know, when you are younger, you are more dynamic, you can work harder, stuff like that. So, it didn't seem odd to me to be doing it at age 30 versus getting a high powered, well-paying job. And in fact, I did work for two years and actually got paid very well because I worked for Goldman and I worked in their hedge fund group which was a small group and so, you know, the comp and bonus actually was very good, but because I had made up my mind it was a two-year thing, it was not... I was not getting hooked on to the corporate bandwagon. And also, my other belief is if your needs are small, I mean, I think, a lot of people as their comp goes up, their needs go up. They want a bigger apartment, they want a fancy car, and they want their kids to go to the fanciest school, private school in the U.S. or whatever. You then have a cost base that keeps you on the treadmill. If your cost base is fairly low you then have a lot of flexibility because you really don't need the comp in the early years.

DJ: And I am also curious about what it takes to succeed, right and let's say in a platform like a Goldman Sachs versus a zero to 1 when you are starting something on your own. Could you talk a little bit about how you grew as a person in turning entrepreneur if you reflect on taking the plunge in let's say the early years, in what ways were you stretched at that point in time?

AD: Yeah, so I was really young, I mean, I started creating the plan when I was 29 out of my small little 600 square foot apartment where I lived in Manhattan with my wife; I was married by then. And actually, the other thing on downside, I somehow ironically, I dispute it once you are married you are sort of at least secure on the home front, so you don't have to... it's actually a better time to be entrepreneurial. So, anyway, she was a good support because she always encouraged me to do what I wanted to do. So, I did a little bit of prep work, got the PPT's in order, and then when I quit, I was fortunate that my former boss George gave me office space in New York and I was in New York for about six months. I think the key to starting a private equity fund is fundraising; you can have the best ideas and all but if you can't raise the money you can't get going. It's interesting I had zero work experience in India other than couple of summer internships when I was a college kid, working in a Citibank branch, helping the branch manager and literally things like that. Those were my summer internships and that's my only work experience in India. I was raising an India-focused private equity

fund. I was also doing this in the midst of a period when the Asian crisis had just happened. So, people were... the early guys who invested in Asia had given up. And then, to top it all off, you had the 1998 nuclear tests done by India and then the response by Pakistan and New York Times running these articles saying that this is the most dangerous place on Earth. So, it was a difficult time. I think what entrepreneurship taught me is first and foremost that sale is very important and as an entrepreneur you are always selling, you are trying to recruit somebody. I managed to recruit someone who I met through the Goldman network, who was at Goldman at the time, who had been with my brother at Cornell, a guy called Kunal Shroff who is a superstar and partly because I was able to sell him on the idea that listen, you are going back, but we want to do some amazing and... you know, etc. and similarly with investors. As a salesman you not only learn how to read people and how to customize a pitch in real-time and to endear yourself to people but you also have to have more tenacity and perseverance. I mean, we had a 98% rejection rate, to wake up every morning and be back on the road to have a database and do this research all by yourself to figure out who to work the network, to build that database and really to be shameless in a sense.

**DJ: And at that stage Ashish, if I may ask, given you had limited experience in the Indian market, what were you selling, right? What was the basis on which people could build confidence with you?**

AD: Yeah, one is I had some private equity experience, investing experience in the U.S. I had done private equity pre-HBS and I had done... I worked with Goldman in sort of the hedge fund business and covered Latin America, U.S. So, I had some investing but with limited number of years. I was basically selling the macro India story and the fact that there are a couple of smart guys who you can trust, who will be entrepreneurial and figure it out as you go along. So, that in a nutshell was it, which was a hard-sell to be honest but today it wouldn't work because the landscape has changed. There are so many PE players out there, but in that era when the industry was being formed, I think it was more about selling yourself, your capabilities, your ability to pull it off and overall macro story in a compelling way. And that's why the hit rate was so low because most people were sceptical. The macro seemed to be quite bad actually at that point in time. And what are these two young guys who never really worked in India, how are they going to figure it out; they are going to get eaten alive. But I think being able to leverage in a sense the people who were willing to bat for me, so when I left Goldman, the CEO of Goldman put in personal money and the guy who ran my group, who was a pretty high-powered guy, youngest partner ever at Goldman, put in money, I had 7 or 8 partners at Goldman, a few other people who were quite well-known. Actually, at that time Rajat Gupta, who was at McKinsey put money in, so people who were very credible and who were willing to bat for me, I think that's what eventually got us the money raised. So, being able to target those people first and get them on board and get them to speak on our behalf was really the way we convinced people.

## Reflections from Deepak Jayaraman

DJ: Thank you for reading. For more, please visit [playtopotential.com](http://playtopotential.com).

## End of nugget transcription

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## 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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