

## Five reasons why India has failed to produce next gen business icons



*As Ratan Tata prepares to hang up his boots, ET Magazine probes why the new millennium has failed to produce the next-gen of Indian business icons unlike the fertile nineties.*

Ratan Naval Tata (RNT) took over as Tata Sons chairman in 1991. And from his vantage point in Bombay House — the Tata Group headquarters — he must have had a ringside view of the India that unfurled in the '90s: from licence raj to laissez faire or thereabouts, almost a socio-economic revolution in steady and slow motion.

Yet, when he hands over the corner room key to his successor, and steps out into another sultry Mumbai evening in 2012, it's as if nothing has changed. Nothing much.

Magazine covers staring at him from hoardings on Marine Drive would have the same old faces, same old smiles. The invite for that award ceremony would have the same names embossed in gold as it has been for almost two decades now.

The India Inc Team that RNT began with are all there in one capacity or the other — [NR Narayana Murthy](#), [Azim Premji](#), [KV Kamath](#), [Deepak Parekh](#), [Sunil Mittal](#) or [Anand Mahindra](#). All of them emerged on the horizon in the 1990s — early, mid or late, but all in the '90s. And more than a decade later, they continue to hold ground. Well, good show.

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**But just where are India's new business icons?**

Just why doesn't the who's-who roster reflect the bulge-bracket fact that in under a dozen years beginning 2000 the Indian economy grew in size from around \$400 billion to \$1.7 trillion? The number of companies listed on the Bombay Stock Exchange shot up from 1,268 in January 2001 to 2,802 in January 2012 — their market cap surged from Rs 6.4 lakh crore to Rs 53 lakh crore.

Yet, there are no new faces to look up to. It's as if the new millennium has refused to let any bloom. So, once again, why? What could be the reasons?

ET Magazine posed this question to some of India's best minds. And, yes, the question was simple enough, but the storyline gets complicated from here on.

For starters, India has created enormous wealth in the past two decades. But being wealthy is not necessarily being iconic. For example, a [Mukesh Ambani](#) may be the wealthiest Indian in the world but he may not still enjoy an iconic status.

"Business icons are those whose presence and influence have gone far beyond their business. They have acquired some kind of statesmanship, have high individual credibility and are very widely respected," says Kavil Ramachandran, a professor with the Indian School of Business, Hyderabad.

Weigh the younger generation on these counts and most of them fail. We offer five reasons:

### **Nothing Like the First Wave**

In the pre-reforms India, businessmen were considered mercenaries. Profit-making was not exactly deemed a great ambition in a society steeped in Gandhian austerity and Nehruvian socialism. Doing business was all about cornering licences, figuring out quotas, avoiding taxes and managing the environment. Those who excelled at this were not exactly considered icons to look up to.

Things changed in the 1990s when India freed up its economy. It was in this environment that a new breed of entrepreneurs like Murthy and [Nandan Nilekani](#) — co-founders of Infosys — emerged. These were average middle-class professionals who used their educational background and grand vision to script a big success for Infosys and India's IT industry.