

## Ajay Srinivasan: The money spinner

**The CEO of Aditya Birla Financial Services** on the tyranny of the average mind in the financial sector and the influence of an eclectic family



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### **Ajay Srinivasan**

BA Hons 1985 St Stephen's

CEO Aditya Birla Financial Services

For a man who is in the thick of a complex re-structuring process involving his business unit, Ajay Srinivasan is pretty relaxed. We are meeting for an early lunch at By the Mekong in Mumbai. With a **seven-year stint in Hong Kong, Srinivasan, 53**, is quite at ease ordering Asian food, but the **Delhi boy** in him still prefers *“a good dal, a crisp roti and a good paneer any day.”*

In August, the **Aditya Birla Group** said it was **merging Aditya Birla Nuvo Ltd and Grasim Industries Ltd** and then spinning off and listing one of Nuvo's subsidiaries, Aditya Birla Financial Services Ltd, which is headed by Srinivasan. It is a complex transaction which not everyone is convinced about, and Srinivasan has been spending time meeting investors. He says the restructuring is on track and the financial services unit is likely to be listed by June.

Srinivasan has headed Nuvo's financial services unit for almost a decade now and built a business spanning 13 divisions, including life insurance and wealth management that offers “cradle to grave” financial services. In the process, the unit's revenue has grown some five and a half times to Rs9,300 crore in fiscal 2016.

“We expanded our business when...other people were shrinking, hunkering down (after the 2008 financial crisis),” says Srinivasan. “I said this is the opportunity to get good people, get branches to work, to grow; in my mind it was a great opportunity when other people were looking at staying where they were or contracting.

But then again I've worked through so many cycles, I've seen good times and bad times, I know both are transient, so you have gotta be able to see through the fall, to take big calls."

Srinivasan would know well about the nature of business cycles after spending nearly three decades in the financial services business, with 20 years at the CXO level. He first joined ICICI (then the Industrial Credit and Investment Corporation of India) straight from the Indian Institute of Management (IIM), Ahmedabad in 1987. Stints in ITC Ltd's financial services unit and ITC Threadneedle mutual fund followed before he took charge as managing director of Prudential ICICI Asset Management Co. Ltd. He then moved on to set up fund management businesses across Asia for Prudential Corporation Asia before he joined the Aditya Birla group in 2007.

"An IPL-style tournament in his organization is one way of team-building and retaining talent. Srinivasan has got Rahul Dravid, Paddy Upton, Boris Becker, Steffi Graf and Martina Navratilova to come and talk to his people. One of the biggest learnings from these interactions (and this one is from Upton) is that you play to your strengths and don't worry about your weakness, don't try to overcome your weakness but build on your strength"

Srinivasan likes to say he entered management by chance. A **St Columba's School** student and **St Stephen's graduate**, he wanted to do a doctorate in economics and enter either academia or the civil services. But he decided to take a crack at the IIM entrance exam after learning that his friends in the college cricket team were looking at that option.

Financial services management was also "very different to (what) everyone else" in the family did, says Srinivasan, who describes his background as "eclectic". While his father had worked with a British company, Srinivasan's mother was part of a singing troupe called "Sami Sisters"; **Usha Uthup is his aunt**. Writers **Pico Iyer** and **Ramachandra Guha are first and second cousins** respectively (Srinivasan says he wants to write a book one day, it is on his bucket list).

**Did he ever play cricket with Ram Guha at Stephen's, I ask.**

Never on the same team, says Srinivasan.

To this day, Srinivasan remains a big cricket fan—he still plays cricket at CXO tournaments and so on—and indeed, of all sports. He says he takes sport very seriously and doesn't talk business while playing golf—a sport which businessmen typically play to network and strike deals.

"I focus on my game when I play golf. I'm a serious competitor, *most of the time I like to compete*," he says. "I think that sports give you a way of looking at competition, you realize that you compete really hard and like the (Bhagvad) Gita says, it's your job to compete, you win some and you lose some." Sport has always been a big inspiration, in his life and his work, he adds.

While there are winners and losers in sports, in financial services, Srinivasan believes that *everybody can be a winner*. That means firms should get into the mindset of growing the market rather than gaining market share at the expense of others, he explains.

“It’s very easy to get into the comfort zone of ‘I grew market share by 10pc’ or ‘I grew 10pc faster than the industry’,” says Srinivasan. “**I call this the tyranny of the average mindset** because ultimately by just being slightly better than the average, you’ll become the average. You’ll never do anything significantly different. *To do something significantly different, you have to think of the problem differently.*”

Changing the mindset of people both within and outside remains the biggest challenge for Srinivasan, even as his firm boasts of the top 5 positions in businesses, such as life insurance and asset management.

One of his biggest learnings, says Srinivasan, one incidentally derived from engaging with the start-up world and Silicon Valley, is the way of looking at a business as what problem it is trying to solve.

“The idea that a business is the solution to a customer problem gave me a big insight as we don’t often think of it that way, but that to my mind is a big aha moment,” he says. “It gives you a lot of ideas about how people are thinking about what they think is an issue. Then you need to figure out how it impacts your business and what you need to do.”

“The way technology is moving, if you’re not thinking that someone’s trying to disrupt your business somewhere, I think you’re probably in a fool’s paradise,” he says.

“With cutting-edge technology, **financial services is the most exciting bit**, compared to somebody making motorcycles or steelworks,” he adds .