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FORBES INDIA BRIEF
Every fortnight, exchange tales of the road with successful entrepreneurs

by Subroto Bagchi



Dileep Prakash for Forbes India

The art is not in starting a business, but in keeping it going. Sudhir Dhingra learnt that lesson when he saw his business rise, fall and rise again

Parents seldom take into cognisance what their children really want. They just want [you to do] what *they* want!" It is with this observation that Sudhir Dhingra, chairman and managing director of apparel maker Orient Craft, starts telling me his story.

"I was brought up in a fairly affluent family of educated farmers. My father was a lawyer; he had a good practice and lived quite well in Chandigarh. He wanted me to join the bar. But, for some reason, I am not inclined towards anything to do with

BACK FROM THE BRINK

paper. If my life depended on reading a hundred pages a day for a living, I couldn't do that even to save my life," he adds.

So instead of becoming a lawyer, Dhingra flirted with success and failure as a businessman. But the germ of his professional life was a college friendship. "While at college I had made friends with an American named Chuck Gerhardt, who worked for the Peace Corps. He had deep interest in India, Indian languages, culture and politics. He used to live next to our house. One day, he lost his job and had to

return to America and I felt miserable.

"When my father persisted that I should do law, I made a deal with him: I would do law, but after I graduated he had to send me to America. I had to see Chuck again. When I graduated, my father honoured his part of the deal. Chuck wanted to come back to India. So we figured out that starting a business could possibly make way for it. Nothing materialised. Finally, I returned via London. There, I spent a week with a friend who was a day-trader. He asked me if I could buy 1,000

shirts from Janpath [in New Delhi] and send to him.

So, when I returned, I borrowed money from my father and placed the order. I had to then send the consignment to London. I went to the airline office and spoke to a man there. He asked me to get a forwarding agent. Now, what was that? The airline person showed me a man sitting in the hallway and asked me to go talk to him. The agent figured out I knew nothing. So, he took over the entire process including the formation of a company and eventually, I sent the shirts over to London. Then I came back home.

"My father pulled me in to work with him and I started life as a lawyer. But every day was an ordeal. One day he told me that the banker had called to say that there was Rs. 21,000 credited into my account from London. It was way more than what I had spent on the thousand shirts! I thought my friend had sent money for his mother who lived in the same town. When I called, he

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HE SAYS
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told me that the money was my part of the profit and he persuaded me to continue the arrangement so that both of us could start a 50:50 business.

"I then gathered enough courage and went to my Dad. I asked him to give me a year's time, and some money and I promised that I would do very well. I went to Delhi and then started this business. From 5,000 pieces at a time to 10,000 and then more — there was no looking back. I remember buying the first button-holing machine and a delivery van. Second-hand.

"My friend and I were making tonnes of money. Somewhere along the line, he felt that he didn't need me. So, we parted ways. I bought a small plot for Rs. 34,000 and I made my office there. My father was very supportive. Money was like water. I had two imported cars, servants, big house, everything. I married and went on a honeymoon to Europe and then, when I came back, the market collapsed.

"This was 1975-1976. By then, I had expanded the business from London, to

New York, Los Angeles and San Francisco. I had thousands of pieces stuck at airports. Those who had ordered them didn't want them anymore. My whole world crashed. I remember the day when a friend who had missed our wedding sent in \$25 and with it, we bought the groceries.

"I couldn't tell my parents about our situation as it would hurt my ego.

"Then we managed to get some money. I left Delhi and I spent months travelling from city to city, clearing shipments, selling them at whatever price I could, retrieving 20 cents to a dollar, 30 cents to a dollar, staying with relations and friends. It took me over a year to clear this mess. It was a nerve-wracking experience. I realised then that the market had not fallen. I had. I had failed to catch the next train."

As Dhingra takes a pause in his narrative, I see in front of me a man who perceives his future as well as he can see his past. Three decades have since gone by and today, he oversees Orient Craft, one of the region's largest apparel makers with a turnover of around Rs. 850 crore, 21 manufacturing units, and 25,000 workers who produce 150,000 pieces a day for names like Tommy Hilfinger, Polo Ralph Lauren, Gap, Macys and the Ann Taylors of the world. I want to know two things from him: How does one spot the next train and, what if his kids do not like the ride?

"Only when I went around collecting money did I start observing my customers for the first time; I saw what their warehouses looked like and I was amazed; while I was out of business, they were not! I should have seen where their customers are headed next, not where my customer is today. You cannot become the business. You need to step aside and observe deeply.

"Talking about kids, two of my kids are in my business — one doesn't have any interest in it. I have told them that they do not have to inherit this business and they do not have to run it. I am responsible for 25,000 families and it is very important for me to leave them in good hands; with people as passionate about the business as I am." ■