

Conversation with Sudhir Agarwal

From a humble beginning of a single Hindi edition from Bhopal in 1958, Dainik Bhaskar Group (DBG) today has grown to become one of the largest newspaper groups in India. The group has a strong presence in 13 States with 65 editions in Indiaⁱ. Mr. Sudhir Agarwal, Managing director, played a crucial role in making DBG a name to reckon with at international media. He is responsible for editorial, circulation, finance and key corporate management activities of the group. Today he is ranked 19th among the Top 50 powerful personalities of Indiaⁱⁱ. The Indore Management Journal Team (IMJ) interacted with him during his visit to Indian Institute of Management Indore. An edited version of the conversation with Mr. Sudhir Agarwal (SA) is produced below.

IMJ: The Dainik Bhaskar newspaper was the undisputed leader in Madhya Pradesh, replacing other players. Having become number one, members of the Agarwal family that controls the DBG, always strive to come out of the comfort zone. It would be a good idea to start the conversation about you and the group.

SA: We are three brothers. I am the Managing Director and my two brothers namely Girish and Pawan are the Directors. My father Shri Ramesh Chandra Agarwal is the Chairman of the Dainik Bhaskar Group. Dainik Bhaskar Group is a multifaceted industry major and was founded in late 1950s. The group's initial foray was into the newspaper publication business. Over the years, we have diversified across sectors such as textiles, solvent extraction, oil refinery, vanaspati, export of polished / semi-precious stones, TV media, FM radio, Information technology, real estate, theme / amusement park, and FMCG. We are building up the largest power plant in Chhatisgarh and

Madhya Pradesh with a capacity of 2500 mega watts.

IMJ: Tell us something about yourself as a person who has become the Managing Director?

SA: I started working at a very young age and I missed out in my studies to a large extent. However, I learnt more from ground experiences. My grandfather was a very strict and disciplined person. He made me go through the challenges that really gave me conviction and confidence that I can do something in my life. I myself run the business and I know this industry very well. Because of my grandfather, I have worked in various departments and learnt how to run a business. It is our family belief that while doing business two things should be kept in mind. One, know the business very well; understand that business in whatever industry you are in or planning to enter. Second, excel in the business rather ending up an average one. If we cannot think of excel in that business which is good, we cannot take an average job.

I have worked in many states. I have lived in Jaipur with my family for 2-3 years; I have lived in Jodhpur for four months, Ajmer for one month, Chandigarh for six months, Ratlam for one month, Bilaspur for two months, Raipur for four months, Indore for about four and a half year. I have lived in Ahmedabad for 6-8 months, Surat for three months, Baroda for 2-3 months. So in nutshell this has given me an advantage of becoming adaptive to different places. Whenever I go to a new city, I never feel like going to a new place with my wife and children. We are adaptable to any place or situation because that is our philosophy of life to go on in any situation.

IMJ: How did this business started and grown?

SA: My grandfather started this business in 1958. It was a very small business till 80s. It was only with a newspaper and of course was a very small business. We were having book binding and copy making business. In 1977, my father took over

i Retrieved from <http://www.dainikbhaskargroup.com/home.php> on August 23, 2012.

ii Retrieved from <http://www.dainikbhaskargroup.com/board-of-directors.php> on August 23, 2012.

Note : The article is an edited version of the interaction with Mr. Sudhir Agarwal, held on July 21, 2012 at Indian Institute of Management Indore.

from my grandfather and he said that I want to build newspaper as the business and not as one of the businesses. I joined the business in 1980.

IMJ: Are You going for different languages as well?

SA: Our first launch outside MP happened in Jaipur on 1996, followed by Chandigarh, Haryana in 2000. We started in Ahmedabad in 2003. With the flagship Hindi daily newspaper-Dainik Bhaskar, we have Gujarati daily, Divya Bhaskar, Marathi daily Divya Marathi and English daily - DNA. In addition to these, we also publish Business Bhaskar, DB Star and Magazines like Aha! Zindagi, Balbhaskar, Young Bhaskar and Lakshay.

IMJ: What is your experience in English newspaper as you have DNA (Daily News & Analysis) newspaper?

SA: DNA is our English newspaper. English media is growing in metro cities and it has a significant influence in other places. But as of today, most people in this country are comfortable with Hindi/local language compared to English language. They still watch most of the TV shows, movies and converse with friends and relatives in local languages.

IMJ: When did you decide to go for diversification?

SA: Diversification was my father's idea. He started the diversification in 1995. He worked in solvent business, as well as in oil business which we are not running now. Further he went to web business and in 1999, he ventured into the Denim business. In 2006, he thought we should enter real estate business. So we started building some real estates in Ahmedabad, Bhopal and entered into hotel business. In 2008, we thought of entering power plant business. So we got some coal mines. That's how we ventured into power plant business.

IMJ: What made you to go into the power plant business?

SA: My father thought that need for electricity will be huge in coming years. As the economy is growing, more and more people need electricity to run their air conditioners, freezers or lights in

their houses. Thus there is going to be acute shortage of power in coming years and hence, electricity will be the upcoming business in India and power plants will fulfill these demand. So it will be very promising sector for the next few years.

IMJ: How do you look at your first business today (media business) after being diversified into many other businesses?

SA: Worldwide, media is an important business. As far as newspapers are concerned, media means information, and consumption. It has changed a lot from newspaper to TV to digital media and so on. The transition has been rapid because the society has been becoming more complex, and everyone is curious about more information.

IMJ: What are the competitions you have faced?

SA: If you are in a print business then there is not much competition; however, in the TV world, Radio world or in the digital world there is good competition. Dainik Bhasker is already building up in a big way. We are adding about 200 million page viewers and 9 million visitors every day. In the present scenario, the TV business is a very competitive one as there are many players. If we want to start the TV channel, probably we will do just an average business.

IMJ: What is your business model or a great model according to you?

SA: Business model in the print media is actually largely dependent on the revenues from advertisement. Circulation revenues make you lose money. Every single copy which you send to a reader makes you lose money. The only way to cover up cost and expenses and make more money and profit is through ad sales.

DBG is very clear about sticking to only one entity: that is the consumer. If the consumer is with you advertisers will come to you because ultimately they have to reach out to the consumers. If you are biased then the consumer will not be with you and if consumer is not with you, everything goes away.

- IMJ: But how do you reach out to your consumers so that they stick to you?
- SA: We strive to be able to give right products to our consumers and try to remain relevant to them. Relevance means knowing what kind of news my readers want to read and what in that news they want to read; then providing the consumers what they want. To achieve that, we constantly interact with the consumers. We consistently meet the consumers and talk to consumers and conduct focus group discussions to understand their need. For example, five years ago consumers would prefer to read a news about a politician who has visited Indore, newspapers used to publish a three column picture especially people garlanding the politician and so on. But now, people are least interested in which politician has visited their city. Now newspaper publishes good and novel contents.
- IMJ: DBG has implemented all its projects on time. What do you do so that all your projects are implemented the way you want them to be done; time on which you want them to be operational and with the kind of people you want them to do?
- SA: "Clarity". Clarity of your goals and objectives, Clarity in what you want to do. For example, when we start a project, we should know why we are building it? What is the objective? What it needs to deliver? How it can be delivered and who can deliver this? If you know what the project needs to deliver, who will deliver this, accordingly you identify the people, resources, infrastructure, money and processes.
- IMJ: So before the project starts you need to identify all these things?
- SA: When we do a project, for example if we plan to launch a new edition in Aurangabad, we will need to create infrastructure. We will identify a team who can make a detailed plan, i.e. planning about the plant, building, office furnishing, software, computers, air conditioning and many other things in minute details. Once a detailed plan is complete, costing, timelines, firm requirement and cash flows are prepared.
- IMJ: What is the period that you look for?
- SA: 15 days. Now a day, you cannot afford to conceive projects in three months and then execute it. We have hardly any time so we have evolved the models and have got a very good team. Now if I call a man and ask him to launch a project in London, he would probably make a plan within one month only before he leaves for London.
- IMJ: How do you identify the right person for the project?
- SA: You have to understand the person who is in your organization. Looking into what he has delivered in the past, if he has the right inclination and most importantly if someone, who can match you are few pointers. For example, If I am running at a speed of 500KMPH and the person is running at a speed of 100KMPH, it will be a disaster. So if you are thinking at a speed of 500, you have to identify a person with a speed of at least 520. So proper planning, clarity in the goal, choosing the right person and building the right teams (as not one person can do it) are required. So, one person is the overall in-charge, and there is a division of responsibilities, for example, one would set up the infrastructure, one would set up the HR, one would set up the production plant, one would set up the editorial quality, one would set up the management, head sales and so on. To create this team, everybody is required to make a plan before hand. Once the plan is approved, they perform according to the timeline, milestones, allocated budget, cash flows, and assigned responsibilities. The entire activity is monitored so that the project gets completed within the scheduled time.
- IMJ: What all challenges you face in this business?
- SA: The challenge that we face is the preparedness for the future with various platforms. Which means, if we are not on the web we will have problem, if we are not on the mobile we will have the problem. So to be ready for the future

challenges in terms of where the platforms are moving, we need to keep moving in that platform at the equal speed otherwise we will miss the bus. Second challenge is to be absolutely consumer focused. The moment you leave the focus from the consumer you become non-relevant to them. Third, to ensure that the organization is not gravitating towards complacency. At least for my company, my focus is to become big and very professional. The group has become bigger over the years in terms of number of CEOs, employees, projects, centers and plants. I have hardly seen all the centers and plants that we launched lately. But company has also become more professional, systematic and automated. But at the same time this largeness has to ensure that the challenger attitude should remain. The moment this challenger attitude goes out you become conversant.

IMJ: But how do you do that?

SA: You need to keep challenging, reinventing and reviving the process and people. The process which was designed five years ago may not be relevant today. The time would have changed. So one has to keep reinventing the processes, and structures. The structure which was decided five years ago may not be relevant today.

IMJ: You are having so many units in various states of India. How do you manage decentralization versus control?

SA: We control the activities through the Management Information System (MIS). We have a very very strong and a robust system. For example, as the editor of Indore unit, you are absolutely independent. Similarly as a CEO of Madhya Pradesh state you run the system as you like with the responsibility for everything. But that MIS is going to send every data to me and that allows me to assess the tool and remind the target. As the CEO of a state, once you are agreed to a cost, revenue, the man power, and the time line, you have to do it.

IMJ: What will be the key performance indicator of a person?

SA: Add revenues, circulation number, cost and also the growth.

IMJ: Once you have gained your confidence in the company how the functioning of the company changed?

SA: I would say the functioning of the company has not really changed much. That is because we had a private equity investor from one of the largest firms in the world. So when they came into picture in 2006, within next three years we were actually going on boost. We have centralized all the processes, adopted the best practices, very high corporate governance mechanisms. So when we listed ourselves we did not have any problem because we already had a person sitting on our board. During the process of listing ourselves, they used to scrutinize everything. They have already implemented every process, every corporate governance, every single data, MIS presentations. Thus we made our company absolutely transparent when they came on board.

IMJ: What do you do actually to communicate the clarity of goal to the employees?

SA: We have a management team which is called National Leadership team (NLT). We have 18-19 people in NLT with various vertical heads. They meet quite frequently, discuss everything. We talk to them on everything, build a consensus. Then we have our State leadership Team (SLT). In every state, the NLT member is a part of the SLT. Then we have a ULT (Unit leadership Team).

NLT is at National level, they talk about the company and everything. Both the CEO and the editor from a state is a part of the NLT. Managing Director, vertical heads of the National Team are part of that SLT. So from that NLT it goes to SLT. For example, Madhya Pradesh will have a SLT, so they will meet every month which is mandatory and they will discuss all the issues related to growth, cost and problems, issues and man power. In state leadership team HR head, Production and IT Head, Circulation head are included.

Board will have a ULT which will also meet every month and again the different units let's say HR Head unit, Production Head Unit, Business head Unit, Editor head Unit, 6-7 key people will again meet. This is our whole company structure. From SLT the message travels to the ULT and then to the people.

IMJ: Have you done any visioning exercise?

SA: Yes, we have done the visioning exercise wherein we decided that we wanted to be the largest enabler and the most admirable social media in the world.

IMJ: How do you connect to your people at the grass root level?

SA: Yes, we do that and are still doing that. I personally visited ten top units in the country and addressed the key persons there. For example, I visited Indore and out of 600 people, I met 80-90 key persons. I personally addressed those 80-90 people and interacted with them in a 4 hrs session. The session deliberated on the need for a vision, what we want to achieve from that vision, and so on. The session was recorded and every CEO of the state was asked to visit to every center under their control. So the CEO does an open house for all the employees across all units. He shows my recorded video. We have done this exercise from November to March this year with our entire 8000-9000 employees.

IMJ: How do you develop your people?

SA: We have opened a school in media education in Bhopal and it is doing well. We have designed courses spanning five full days. We have created three classrooms out there for 25 persons each. We have created a 70 people boarding house. At any particular time about 75 people are engaged in training. It is only for internal training. We are providing training to all our editorial people, and trying to cover all the employees. This way we are training 3000 people in one year.

IMJ: But how do you ensure your employees become socially responsible?

SA: As a newspaper, you can bring socio- economic change. For example, we have build up this campaign recently, *Ek pedh ek zindagi*. We are saying that if you can plant at least one tree, believe us, you are going to save one life. We are going to build up a campaign saying no government can clean up these kinds of areas. You will have to have something to put it into a win. No government or no system in this world can clean this committed road every day.

IMJ: But how your values stand by that?

SA: Our values stand for that. We are a very ethical organization and that has to prevail. Our vision is that we have to be most admired, for that we do not have to be the largest. We did not make our vision to become the number one newspaper of the country. But we made our vision to become the largest and most admired enabler of socio-economic change. We are hesitant to hear people saying yaar Bhasker is very large but... We like to hear people admiring its product, and hence the product must bring the socio-economic change because we are a newspaper in the country. We have a responsibility towards the society.

IMJ: You are the head of an organization and you have a personal life. As an individual, how do you maintain the balance?

SA: See I have been able to maintain it through a perspective. When I go home, I am at home and when I am in the office, I am in the office. When I am in Bhopal, I start my day at 10.30 am and finish at around 8.30pm. Once I go home (at about 8.30 pm), I keep my mobile phone aside. I am at home, I am with my kids. I never talk business in parties or in anywhere. As an individual I never do any socializing. I have come to IIM Indore for the first time. Usually I do not go anywhere. I am not very social, by social I mean; I have never entertained a single IAS officer in my life. I have never visited the parliament. I have never seen any Vidhan Sabha in my life. I would have met 2-3 chief ministers that too probably only once.

Today Shri Shivraj Singh Chouhan (the Chief Minister of MP) would not know me, though I run the newspaper editorial. Not even 1% of politicians even know me.

IMJ: Thanks a lot for sharing your ideas with us. It was a very open talk.

Sudhir Agarwal is the Managing Director of the Dainik Bhaskar Group of Publications, one of the largest newspaper groups in India. Over his 25 years of experience, he has helped in making the Dainik Bhaskar Group a name to reckon with. Today he is ranked 19th among the top 50 powerful personalities in India. Sudhir K. Agarwal is an active member of World Association of Newspapers, Paris.