

Forbes India

January 22, 2010

EMERGING MARKETS: *The Newer World*

From the notes of Prakash Menon, president, NIIT China: "Met Mayor of Wuxi. We needed some infrastructure. He had it ready in a week. We trained 1,500 students. He asked about training 10,000 students. We said we needed 300,000 sq.ft. He gave it to us in a week. The government is very fast. We have to keep pace with their speed."

NIIT is a rare Indian company that has managed to crack the Chinese market and build scale. For many other Indian companies, used to doing business with the US or Europe, China is still a mystery. But NIIT showed that if you understand the local needs and build trust, you can do profitable business there even though you are an Indian.

After the global recession exposed the risk of doing business with the developed world alone, there is a new sense of urgency among Indian companies to tap the big markets of tomorrow — Africa and Asia. The recovery seen in the last few months has also shown that these regions will be the consumption engines of the world in the next few years. Africa and China account for a third of the world's population and their purchasing powers are rising.

Just like the domestic market is expanding from cities to towns to villages, its export market is expanding from the developed world to the developing world. And almost all the rules of the game are similar in both: Get local insights, design relevant products, listen to the customer and try to provide comprehensive solutions. And they are exactly the lessons that

foreign companies coming to India learn.

Stepping into unknown territories will be highly rewarding because competition is negligible. But the risks are also big. A civil war is raging in Sudan, where Oil and Natural Gas Corporation has invested \$720 million for a 25 percent ownership of an oil field. ONGC's other selections aren't a bed of roses either. It is developing gas fields in Iran, for instance.

"The good thing is that Indians, by nature, are welcome in many of these markets," says Vijay Subramaniam, CEO of international business at Marico. A large number of Indian companies have entered Africa and the Middle East and often learn from each other the nuances of the local market, he says.

These markets also offer lessons that can be used back in India. Marico figured that in order to build scale in the Middle East, it had to launch a hair cream product. Parachute hair cream became so successful there that Marico brought that product to India as well and found a ready market.

Watch This: After running a hospital successfully in Bangladesh, *Apollo Hospitals* plans a chain of hospitals in Africa. It already understands the African healthcare scene, having been part of a continent-wide telemedicine programme. It might work with Nigeria's government to overhaul that country's healthcare system. Apollo also plans specialised knee clinics in developing nations. ■



AFP for Forbes India

Eager Hosts Indians are welcome in most emerging markets