

Staying foolish. Staying in business.



Vinod Harith

Notes from a first generation entrepreneur after two years in business

No one thought it was a particularly bright idea when I decided to chuck my job as Wipro's global head of marketing communications to start up CMO Axis. "It is recessionary times and it is too risky to start a new venture," someone said, and I thought "sure enough and that's why someone will outsource marketing rather than build a team". "No one will outsource marketing – that's a core function," someone else said, but isn't that the same thing they said about F&A outsourcing a decade or so back?

Somewhere deep down I realized that it was better to be foolhardy and fail than live a life of regret of not having pursued my dreams; and I decided to go ahead anyway, and founded the first MPO. We completed two years on 23rd April this year, clocked 1.5 Cr revenues this fiscal, crossed the 50 people mark in hiring and we work with some of the best names in the business with both strategic and tactical marketing outsourcing work. Last year, we won the ET Power of Ideas contest and were ranked among the 'Hottest startups' in India.

It certainly wasn't the easiest two years. We at CMO Axis were defining a whole new space and we had to make sure that our customers understood what we were doing. It took us quite a bit of effort to arrive at our positioning that covered the white space between traditional advertising, design or web agencies and bespoke marketing consultants. We realized that the most important value we could deliver that the others could not was business alignment and independent program management that actually reduced or substituted the efforts of the in-house marketing teams.

An example of how we did that was with a leader in delivering business and education content on CD-ROMs. While their traditional partners were talking to them about cheaper and more efficient ways of delivering their content, we looked at the problem from the other side of the table. Our proposition to them revolved around reducing their time to market and increasing the number of titles they could publish in a year. We set up an integrated product management desk that helped times with research on new titles, content and design delivery. This helped the client reduce their time for publishing a title from 6-8 weeks in the past to two weeks!

We have done quite a few other interesting projects during the past two years – ranging from running the entire national sales and marketing for a pharma major on an outsourced model to managing the web presence and e-commerce platform for a consumer goods brand, helping a global IT major with their marketing globalization efforts, setting up customer communities, running demand generation programs and more! I am happy that many of clients derived bottom line business value through these programs. Some

of them thought they did not, but they surely helped keep us on our toes and learn to deliver better and more importantly, manage expectations better.

I had always thought that we first had to get investors on board if we ever had to grow quickly, but looking back, our clients have been our real angel investors. We managed a reasonably fast growth without borrowing or diluting equity. I now know how important it is for startups to choose the right clients and build these win-win relationships.

The other aspect of growth we had to grapple with was finding the right people who could help us take the business to the next level. We realized that as a start up we could never pay enough to attract and retain talent. We told ourselves that real people engagement will come from making them share the excitement and the rewards.

We talked to people who wanted to be entrepreneurs deep down but could not drop the security of a monthly pay packet anytime soon. We are paying our people a good bit more than 'survival money', but more importantly, 25% of our profits are shared by our key people (no, not equity – we did not see a point giving away something that had no tangible value at the time when people receive it). We have a high energy team that is very engaged and many of the team members who joined us two years back are still with us.

I am now making sure that as we grow as an organization, we keep this spirit of a start up alive – going with gusto at every project like it is our first one, having the daring to be innovative and stretch that extra mile. I guess it is called 'culture building'.

All this may mean that we will never stop being foolish, but happily, we are still in business!