

# How Married Business Partners Make it Work

The challenges of running a company can get more complicated when the business partners are also life partners. **Kala Vijayraghavan** and **Devina Sengupta** speak to four couples who have made their marriages an asset to their enterprises

In 2013, the Wharton School of the University of Pennsylvania published an article on husbands and wives who are also business partners. The article quoted Stewart Friedman, Wharton practice professor of management, as saying that for many entrepreneurs, being married to their business partner is an asset to both their professional success and personal relationship. “The trust you have in [your spouse as co-manager] is greater than you are likely to have with any other business partner in your life...” he said.

Yet, the same article also dwells on the headaches associated with starting and running a company” by couples such as financial pressures — “not only are the fortunes of the couple bound up in one business and one (sometimes non-existent) income and the emotional strain — “some couples find it hard to separate what happens in the business from what happens in the relationship”. But the “hardest thing”, says the article, is how a work partnership could ruin a life partnership because “there is very little time or room in the marriage for much else besides work”.

Some of the findings of the article perhaps find resonance in the recent divorce announcement of data analytics company Mu Sigma founder Dhiraj Rajaram and wife Ambiga, the company’s CEO. The divorce has cast a shadow on the company’s future. The estranged couple — both American citizens — said the development would have no impact on the running of the company.

Investors disagree. A senior executive at a leading venture capital fund in India that has an interest in Mu Sigma frowns on husband-wife partnership in business. “Conflict in one area tends to seep into another,” he says.

Although family owned companies are plenty in India, married couples heading different segments of the same firm are a rarity.

## Till Ego Does Us Apart

Still, how have the marriages endured the tribulations associated with the workplace? ET spoke to four couples who run businesses together to find out the secrets of their successful business partnership. Turns out a mix of trust and professionalism at the workplace is critical to a successful business partnership in India.

The thumb rule for couples aiming for a successful business partnership is to ensure that they do not directly report to each other, says BK Goenka, chairman of the \$3 billion steel-home textiles conglomerate Welspun. He speaks from experience.

Goenka’s wife of 28 years, Dipali is CEO and joint MD of Welspun and reports to Rajesh Mandawale, the MD of the group.

“In the office, she is the CEO and not my wife. There is no special treatment given to her,” says Goenka who went against Marwari family tradition to support his wife’s decision to join the business. Goenka says he has had no involvement in his wife’s career and ensured that she learnt the ropes like any other employee.

But what about back home?

A few years ago, Amit Jatia, vice-chairman of McDonald’s India (west and south) and Smita Jatia, who is the company’s MD, got into a heated discussion about work over dinner at home. Suddenly, one of their children snapped, “Please stop it. This is not your boardroom”. The couple were stunned into silence, ate their dinner quietly and reflected on the incident later.

They have since followed a rule — keep their personal and professional lives separate, especially when their children are around. That apart, a clear demarcation in work space and accepting that the spouse is an expert in the other’s field are key to maintain the balance, according to the Jatis.

“Having confidence in each other’s abilities and having clear separate lines of responsibility where goals are aligned are critical,” says Smita.

When such relationships



**Smita Jatia 46, Amit Jatia 49**

Amit Jatia is vice-chairman and Smita MD of McDonald’s India, west and south.

**MARRIED FOR: 27 years**

**THEIR ADVICE:** Be professional, keep areas of expertise and operations separate, value and respect each other

attain longevity, it could impress investors, though many VCs say investing in such firms bears the same risks as any other. “A personal dimension to the workplace could be a positive because couples will know each other’s strengths more than anyone,” says Sandeep Murthy, partner at Lightbox Ventures.

Take the case of GrowthStory, an entrepreneurship platform floated by serial entrepreneurs Meena Ganesh and Krishnan Ganesh. They have founded and led four green field startups, nine fund raises from institutional VCs, four successful exits to companies listed in India, UK and the US and seven mergers and acquisition transactions. Krishnan Ganesh says it is respect for each other and complementing each other’s strengths that helps them work as a team. “She looks after operations, execution, hir-

**Meena Ganesh 52, Krishnan Ganesh 54**

The Ganeshs are serial entrepreneurs who have founded and led four green field startups and nine fund raises from institutional VCs etc

**MARRIED FOR: 30 years**

**THEIR ADVICE:** Respect for each other, demarcation of work areas, common goal for business



**Dipali Goenka 46, BK Goenka 49**

BK Goenka is the chairman of the steel to textiles conglomerate Welspun group while Dipali is MD of the group’s home textiles business

**MARRIED FOR: 28 Years**

**THEIR ADVICE:** Keep reporting lines separate and be professional at the workplace

Of course, there have been arguments at work, but they are no different than the ones they have had with colleagues. “If you get professionals on board, you need to run the company like that,” says Prabhakar. He says he was not hired at Chumbak because he is “Shubhra’s husband”. Chadda says many employees realised that the founders are married only after working for 4-5 months. “We do not refer to our marriage even during induction because we are not here because of our spouses.”

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**Shubhra Chadda 36, Vivek Prabhakar 38**

They are co-founders of Chumbak, a startup that makes curios to clothes

**MARRIED FOR: 12 years**

**THEIR ADVICE:** Work as if you dealing with professionals and not your spouse, believe partner is expert in his/her area, respect one another



# Carrots, And One Stick

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India’s infamously hidebound tax administration has responded, but taxmen also make the point that they as yet don’t have an information system that can track all high-value transactions. And close observers say a good test for the Modi Tax Doctrine will come when rules are framed for hoovering up domestic black money.

Black money rules apart, none of these changes in tax practice made headline news. But together they represent a new approach, and taxmen got notice of this soon after Modi assumed office.

One senior tax official said: “The new message came, direct and in person, from Modi when he met tax chiefs.” The PM had told them, “Aapse sab darte hain (everyone is scared of you),” this official said. Taxmen understood the message — the brief had changed from just getting revenue to quickly improving public perception.

A good example of MTD came in April. Routine, computerised analysis of tax refunds showed a ₹12,000-crore tax refund. The bene-

fiary was State Bank of India. Earlier, this wouldn’t have resulted in anything. Now, an inquiry is on, aiming to determine whether SBI was coerced into paying high taxes in March, so that those numbers could shore up revenues and therefore make deficit figures look better in 2015-16.

Both Central Board of Direct Taxes (CBDT) and Central Board of Excise & Customs (CBEC) are fully briefed on this aspect of MTD, senior officials said. The tag of ‘tax terrorism’, applied frequently under United Progressive Alliance-2, had to be shed, taxmen were told.

“Tax officers have to be accountable. That has been the PM’s key message,” said Revenue Secretary Hasmukh Adhia.

“PM’s philosophy is people don’t mind paying taxes but they are worried about procedures. So if you make it easy for them to pay taxes then there’s no need to worry about collection, people on their own will pay,” Adhia said.

## EASE OF PAYING TAXES

For large taxpayers, concrete measures to make life easier include: a) clarifying, after years, the differen-

ce between business income and capital gains on stock deals; b) the decision to not file appeals below a certain revenue demand level, and withdrawing appeals filed over the past five years; c) a dispute resolution mechanism for waiving penalty and interest on tax claims that kicked in this month; d) advance pricing for domestic companies, allowing them to get a heads-up on tax obligations.

Topping all this, said senior taxmen, is the serious promise to reduce corporate tax rate and exemptions. Plus, they said, the ghost of retrospective taxation has been buried, even if the Vodafone case hasn’t reached a solution as yet.

Officials say an unprecedented number of circulars has been issued by tax bodies to ensure more clarity and simplification. Even simple things make a big difference — no roving query in a scrutiny, meeting taxpayers at the appointed time. And most important, not having to meet the taxman at all.

For customs, for example, multiple forms have been replaced with single online versions and random checks of consignments. Goods movement from warehouse to

wharf, and vice versa, is allowed without upfront duty payment.

“The government is listening. The nature of interventions that are taking place show the government is listening even at the micro level,” said Rahul Garg, national tax leader, PwC.

## BE ACCOUNTABLE

Slapping high demands and then litigating — this is a habit Modi Sarkar is determined to break, senior officials said. At the end of 2014-15, ₹6.15 lakh crore was locked up in tax disputes, and a big chunk of it was thanks to overzealous taxmen, these officials added.

“If some tax officer without rhyme or reason slaps a heavy notice or excessive assessment that finally gets struck down by the Supreme Court, why wouldn’t you ask questions?” Adhia said. “We should evaluate all officers on the basis of success rate in subsequent proceedings rather than on achievement of target.”

As many as 56 indirect tax officers have been handed the pink slip. A new appraisal system has been put in place. This judges taxmen on judicial assessment of their claims.

And sensible response to court verdicts is also a new element. Not appealing the court on Shell trans-

fer pricing case was a significant demonstration of this policy shift.

## GOING AFTER EVADERS

All the emphasis on an easy regime for taxpayers hasn’t meant an easy regime for tax evaders.

“We are going after evaders in a big way based on information received from various sources,” said a senior tax officer.

Examples, this officer said, include an investigation by the Directorate of Revenue Intelligence that plugged the misuse of the India-Asean free-trade pact, including by consumer durables majors.

Tax on dividends and the so-called Google tax (levied on those earning income from Internet activity in India) are other examples. But the biggest example, of course, is the policy on black money.

Close observers of tax policy said rules on getting black money parked in foreign accounts could have been simpler. Tax officials agree that the modest amount declared — ₹4,164 crore — shows there’s more work to be done, but they say this is a work in progress. And they defend harsh penal provisions such as a 10-year jail term as a deterrent against future ultra-creative tax planning.

The “clean-up”, as a senior tax of-

ficer put it, of the India-Mauritius tax treaty and plans to tweak other similar treaties are part of the exercise to stop funneling of black money, and get taxes paid on capital gains. Modi, officers said, had himself taken up the tax treaty when he visited Mauritius.

Attention of everyone assessing the effectiveness of black money rules is focussed on regulations for getting out domestic black money. Any cash purchase of a good or service above ₹2 lakh now faces tax. The government refused to buckle under pressure from the jewellery trade, Bharatiya Janata Party’s large constituency, to roll back excise duty on gold jewellery — the yellow metal being a key component of the black economy.

And having given one last opportunity to those holding undisclosed domestic assets, taxmen are ready to move into action. Observers said the disclosure scheme will work best if rules are less complicated.

## WORK TO DO

It is not as if, senior bureaucrats say, that a visit to a tax office is an entirely comfortable experience. Ask tax lawyers, accountants and consultants — people dealing with tax officials — and MTD loses some

of its sheen. “A change in thinking at the top is very much there at the senior level, but it will take time to percolate down,” said an official.

“There have been avoidable instances of very aggressive action by tax authorities including summons to chief executives. This does not go well with the overall policy thrust,” said Sudhir Kapadia, national tax leader, EY.

There are more positive words though. “There is visible change in the functioning of tax administration at the ground level. The environment is now more positive, fair and there’s a partnership kind of approach,” said Sanjay Sanghvi, partner, Khaitan & Co.

The last-mile problem of execution by tax officials is something MTD has to crack. And as also a very big demand from taxmen: a good information system.

A robust infrastructure and an online system for data collection and assimilation is a must, taxmen said. The example they give is making various establishments file annual information reports so that high-value transactions can be tracked.

A non-invasive but robust tax system depends critically on good data. That’s the next big job for the Modi Tax Doctrine.

EDUCATION	EDUCATION
<b>E-Governance Platforms</b>	<b>Marketplace</b>
<b>WHAT ARE THEY:</b> Dashboards that capture student, teacher and institute data	<b>USES:</b> Helps audit performance
<b>FOR STUDENTS:</b> Single point for student performance (say in 12th you want to know how the child performed from 1st standard onwards, all data will come up in one place)	Number of schools <b>1.4 m</b>
<b>FOR TEACHERS:</b> Records outcomes like performance of class, attendance record, activity log etc	Universities <b>712</b>
<b>FOR ADMINISTRATORS:</b> Plans education needs like in which courses seats should be increased; what should be the focus of higher education etc	Colleges <b>36,671</b>

# A Dashboard for Education Metrics

In one of the biggest technology interventions in schools and colleges, new platforms that help improve outcomes for all stakeholders are being introduced, writes **Shelley Singh**

It is a difficult choice for most parents. Which higher education course should their children pursue? Most force the child to go for what they think will be good for the child rather than what the child is good at. So a student with a nose for liberal arts might have to pursue engineering. Or another nursing ambitions to become a doctor might find herself in a B-school.

The upshot: many children end up becoming also-rans in their professions.

This happens partly due last-minute decision making — similar to trying to win a marathon by putting all efforts in the last few kilometres instead of planning the whole race well. Parents should go by what the results and performance of the child in school revealed rather than what they believe is ideal for the child or what is a popular job at a point in time.

But that is easier said than done. Rohini Ahluwalia, chairperson, Ahlcon International School in Delhi, says parents lack data that capture the life cycle of the student. “If in 10th or 12th standard, parents get advice based on the child’s inclination and interest towards certain streams and not what’s popular, things will be better.”

## Tech Wave

Help is at hand. A number of technology platforms that help improve outcomes for students, institutions and administrators by tracking their performance and interests over the years have been developed.

Ahlcon, for example, uses an education e-governance platform called M-Star that captures student and teacher performance on a daily basis — metrics like attendance, participation in activities, report cards and results to help administrators take informed decisions about student, teacher and institution performance.

This data is crunched and analysed to give actionable outcomes — like identifying and nudging students not taking part in extra-curricular activities or introducing new teacher training programs based on how students take to teachers.

“At the end we have a graph of the child’s growth, teacher’s performance on a single platform that helps improve overall performance of students and the school,” says Ahluwalia. So, in 12th standard if parents, counsellors or administrators want to know how a child performed throughout school, it’s all available with a few clicks — that is, all report cards at one place.

M-Star was developed by MGRM, a New York-based technology service player. The company says 10,000 researchers worked for around two decades to develop the platform and its research included studying education systems at about one lakh institutions worldwide.

## Many Takers

Such systems are being implemented by a growing number of schools like Sardar Patel and Bal Barathi in Delhi, Kendriya Vidyalayas and schools in Himachal Pradesh. Microsoft has a platform called Edu-Cloud, a cloud based computing solution whose ambitious goal is to have classrooms without printed books. Edu-Cloud comprises a suite of solutions that deliver digitized content, assessment, learning, besides automating the back office (like e-mailing fees due instead of paper based fee; online only admission process etc), creating a digital library and so on.

Around 500 institutions have signed up for Edu-Cloud in the last 12 months and it has been introduced in 50 institutions, including DPS, Pathways in Delhi NCR and Sri Chaitanya schools in Hyderabad.

Google has Google Classroom which also aims to make education systems paperless.

“We have seen demand for education platforms increase in the last 12 months as these help differentiate institutions that don’t use technology tools. Besides, the benefits like smarter infrastructure, low costs, better connectivity with alumni make it a compelling proposition,” says Alok B Lall, director, Microsoft Office.

Rohin Kapoor, director, Deloitte, a consultancy, says, technology disruption is important if institutions are to improve their education outcomes. “Even the ministry of HRD is encouraging use of software that helps manage institutions — from administrative tasks to student and teacher development.” Kapoor says software like M-Star and PeopleSoft modules are used for managing multiple processes in education institutions.

Partha Mohanty, technology head, MGRM, believes M-Star platform can help policy makers and administrators as well

**ROHIN KAPOOR**  
DIRECTOR, DELOITTE

Technology disruption is important if institutions are to improve their education outcomes. Even the government is encouraging use of software that helps manage institutions

for opening new colleges and finding out popular streams and hence make arrangements to meet any shortfall of seats. Or if a trend of low grades in maths persists on the dashboard across schools, administrators can take appropriate action to investigate causes and offer solutions.

Physical record keeping is eliminated as teachers input student data on a daily or weekly basis. This includes attendance, performance in class tests and annual exams, extra-curricular activities, transport, teacher details, fee processing, library management and so on.

The eventual goal of such platforms is to help institutions shift from manual and semi-automated administrative systems that work in silos to a technology driven platform linking public institutions and administration state-wide and nationwide. Mohanty believes such a platform will give a macro view of institutions and even going down to view on individual performance of each child, teacher and institute with just a few clicks.

Such systems cost ₹120-150 a child a year. “While data capture is one aspect, which essentially means transferring what was in handwritten files to computers, the bigger advantage lies in analytics that runs behind that give actionable outcomes,” says Ahluwalia.

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