

Sowing Seeds of Growth.

T MURALIDHARAN, 50

Education : B Tech (Chemical Engg), IIT Chennai, MBA, IIM Ahmedabad
Last job : Marketing Development Officer, Nocil
No. of years as employee : 7 years
Age at starting business : 31 years
Initial investment : Rs. 50,000
Sources of fund : Own and partner's saving (Rs 25,000 each)
Company : TMI, an HR solutions firm
Turnover : Rs 32 crore (2006-7)
No. of employees : 350

T. Muralidharan put the failure of his first venture, a seeds company, behind him to start a human resource solutions firm that is now worth over 30 crores.

By RAKESH RAI

"Management schools teach you managerial ability not entrepreneurship" says T. Muralidharan, an alumnus of the India Institute of Management, Ahmedabad (IIM-A) and now the chairman of one of India's largest talent acquisition and management companies. That may sound like a pretty strong dismissal, but it comes from years of hard-nosed experience leaving the comforts of a cushy job to become an entrepreneur; failure as an entrepreneur in his first venture and later success in the human resources industry.

Muralidharan joined IIM-A after graduating from the Indian Institute of Technology, Chennai. His first job in 1981 was with the National Organic Chemical Industries (Nocil) as a marketing development officer in Mumbai. Starting salary was Rs. 1,100. Six years down the line he was earning Rs. 10,000 a month.

'Only personal integrity helps tide over adversity'

A chance comment by a friend Muralidharan on an entrepreneurial path. "My IIM batch mate Turab Lakdawala, who was then working for Hindustan Lever, threw up an idea to be a partner in the seeds business that he planned to start," he says. But why seeds? "One, Lakdawala had a background in agriculture and his job with Lever involved selling seeds. Two, it called for minimal investment," he adds. However it was not before his friend quit his job that Muralidharan actually got involved. This was in 1987. "It was not difficult to convince my wife because she was party to the meeting. However my parents and relatives thought that I had gone crazy."

After an exploratory visit to Hyderabad – the seeds capital of the country then – they set up shop despite opposition from friends. "In fact my boss at Nocil told me that they were losing money in seeds but we thought that they were just seeing us as competition and were trying to dissuade us," says Muralidharan.

When he shifted to Hyderabad, his wife was the only earning member with a salary of Rs. 4,000. But very soon he was offered a consultancy by a Mumbai based firm, which paid him Rs. 10,000 for a 9-day job every month. This was shared equally between the partners.

"Since the cost of living in Hyderabad was lower than in Mumbai, we could maintain our lifestyle. Anyway, I strongly believe that one's lifestyle should follow one's income and not vice-versa". They rented a space for Rs. 300 for their new company TM Inputs and began operations.

Their friends' advice unfortunately proved true. "Three years in the seeds business taught us a lot. First I was unfit because I had zero knowledge of the subject. Turab did his best but could not match the wits of the traders in the business", recalls Muralidharan.

"Every year we would make a business plan in which we showed profits and each year we ended up with a loss". "They sent out mailers and Muralidharan toured Karnataka in July 1987 to sell stock. "After traveling for 20 days I could not sell even a kilogram of seeds, not even on a consignment basis (pay when the farmer sells). I came back completely demoralized and fell ill".

At around the same time, Muralidharan along with a journalist friend began creating corporate brochures. The first brochure they produced was for Satyam Computer Services. "Satyam, in 15 years, has grown at a great pace. In the same period, we grew to be merely 0.1% of their size," says Muralidharan.

After futile attempts to keep the seeds business afloat they finally wound up. "We had lost around Rs. 10 lakhs by then and I am not even including the opportunity cost," says



-  **CHOOSE WELL**
Never start a business that is not aligned to your strength
-  **FUND IT RIGHT**
Never under-finance a venture
-  **PLAN JUDICIOUSLY**
Factor in the details while making your plans
-  **NETWORK**
Partnerships are important, whether the company is doing well or not
-  **LIMIT EXPENSES**
Don't let lifestyle drive your income

Muralidharan. Then came idea of a recruitment agency. "It was purely a case of serendipity. Around the time we were thinking of closing down our seeds business, my wife's friend used our office premises to do some head hunting. He made a fair amount of money".

And that's how Talent Management International (TMI) was born. Between 1991 and 1997, the company grew gradually and opened branches in Chennai, Mumbai and Bangalore.

The initial years in the business were not without struggle though. "Being a Hyderabad – based organization was a locational disadvantage as getting the Mumbai and Delhi clients that we could deliver recruitment solutions from Hyderabad was a challenge," admits Muralidharan. However gradually business started picking up and more Corporates became clients.

TMI got a push when Muralidharan's brother Sreedhar joined in 1997 and expanded the business to six cities, over 100 customers and 2 lakh relationships. "Sreedhar had better networking skills - the primary requirement in the recruitment business – than me", explains Muralidharan.

Another push came when TMI became a member agency (part of network) of the Bernard Hodes Global Network, the world's leading employer branding company.

In 2000, TMI floated a subsidiary called C&K Management to create a knowledge portal. The project was partly funded by venture capitalists. However, the dotcom bubble burst leading to yet another disaster. "By September 2000 we were facing bankruptcy. In these years we learnt to survive with the support of friends and a set of dedicated people", says Muralidharan. Gradually, the venture picked up again and now creates courses for global IT companies.

Talking of the future Muralidharan says, "We want to be India's largest employment intermediary for freshers. By end of 2007, we want to be present in 25 towns and scale it up to 400 district headquarters by 2010. So was the decision to quit his job in the first place a bad one? "The decision to quit my first job was an impulsive one. But I don't complain now because had it not been for the failure in the seeds business, TMI would not have been born."

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