

## Life lessons from Narayana Murthy

May 28, 2007

**N R Narayana Murthy**, chief mentor and chairman of the board, Infosys Technologies, delivered a pre-commencement lecture at the New York University (Stern School of Business) on May 9. It is a scintillating speech, Murthy speaks about the lessons he learnt from his life and career. We present it for our readers:

Dean Cooley, faculty, staff, distinguished guests, and, most importantly, the graduating class of 2007, it is a great privilege to speak at your commencement ceremonies.

I thank Dean Cooley and Prof Marti Subrahmanyam for their kind invitation. I am exhilarated to be part of such a joyous occasion. Congratulations to you, the class of 2007, on completing an important milestone in your life journey.

After some thought, I have decided to share with you some of my life lessons. I learned these lessons in the context of my early career struggles, a life lived under the influence of sometimes unplanned events which were the crucibles that tempered my character and reshaped my future.

I would like first to share some of these key life events with you, in the hope that these may help you understand my struggles and how chance events and unplanned encounters with influential persons shaped my life and career.

Later, I will share the deeper life lessons that I have learned. My sincere hope is that this sharing will help you see your own trials and tribulations for the hidden blessings they can be.

The first event occurred when I was a graduate student in Control Theory at IIT, Kanpur, in India. At breakfast on a bright Sunday morning in 1968, I had a chance encounter with a famous computer scientist on sabbatical from a well-known US university.

He was discussing exciting new developments in the field of computer science with a large group of students and how such developments would alter our future. He was articulate, passionate and quite convincing. I was hooked. I went straight from breakfast to the library, read four or five papers he had suggested, and left the library determined to study computer science.

Friends, when I look back today at that pivotal meeting, I marvel at how one role model can alter for the better the future of a young student. This experience taught me that valuable advice can sometimes come from an unexpected source, and chance events can sometimes open new doors.

The next event that left an indelible mark on me occurred in 1974. The location: Nis, a border town between former Yugoslavia, now Serbia, and Bulgaria. I was hitchhiking from Paris back to Mysore, India, my home town.

By the time a kind driver dropped me at Nis railway station at 9 p.m. on a Saturday night, the restaurant was closed. So was the bank the next morning, and I could not eat because I had no local money. I slept on the railway platform until 8.30 pm in the night when the Sofia Express pulled in.

The only passengers in my compartment were a girl and a boy. I struck a conversation in French with the young girl. She talked about the travails of living in an iron curtain country, until we were roughly interrupted by some policemen who, I later gathered, were summoned by the young man who thought we were criticising the communist government of Bulgaria.

The girl was led away; my backpack and sleeping bag were confiscated. I was dragged along the platform into a small 8x8 foot room with a cold stone floor and a hole in one corner by way of toilet facilities. I was held in that bitterly cold room without food or water for over 72 hours.

I had lost all hope of ever seeing the outside world again, when the door opened. I was again dragged out unceremoniously, locked up in the guard's compartment on a departing freight train and told that I would be released 20 hours later upon reaching Istanbul. The guard's final words still ring in my ears -- "You are from a friendly country called India and that is why we are letting you go!"

The journey to Istanbul was lonely, and I was starving. This long, lonely, cold journey forced me to deeply rethink my convictions about Communism. Early on a dark Thursday morning, after being hungry for 108 hours, I was purged of any last vestiges of affinity for the Left.

I concluded that entrepreneurship, resulting in large-scale job creation, was the only viable mechanism for eradicating poverty in societies.

Deep in my heart, I always thank the Bulgarian guards for transforming me from a confused Leftist into a determined, compassionate capitalist! Inevitably, this sequence of events led to the eventual founding of **Infosys** in 1981.

While these first two events were rather fortuitous, the next two, both concerning the Infosys journey, were more planned and profoundly influenced my career trajectory.

On a chilly Saturday morning in winter 1990, five of the seven founders of Infosys met in our small office in a leafy Bangalore suburb. The decision at hand was the possible sale of Infosys for the enticing sum of \$1 million. After nine years of toil in the then business-unfriendly India, we were quite happy at the prospect of seeing at least some money.

- **ALSO READ: [The amazing success story of Infosys](#)**

I let my younger colleagues talk about their future plans. Discussions about the travails of our journey thus far and our future challenges went on for about four hours. I had not yet spoken a word.

Finally, it was my turn. I spoke about our journey from a small Mumbai apartment in 1981 that had been beset with many challenges, but also of how I believed we were at the darkest hour before the dawn. I then took an audacious step. If they were all bent upon selling the company, I said, I would buy out all my colleagues, though I did not have a cent in my pocket.

There was a stunned silence in the room. My colleagues wondered aloud about my foolhardiness. But I remained silent. However, after an hour of my arguments, my colleagues changed their minds to my way of thinking. I urged them that if we wanted to create a great company, we should be optimistic and confident. They have more than lived up to their promise of that day.

In the seventeen years since that day, Infosys has grown to revenues in excess of \$3.0 billion, a net income of more than \$800 million and a market capitalisation of more than \$28 billion, 28,000 times richer than the offer of \$1 million on that day.

In the process, Infosys has created more than 70,000 well-paying jobs, 2,000-plus dollar-millionaires and 20,000-plus rupee millionaires.

**A final story:** On a hot summer morning in 1995, a Fortune-10 corporation had sequestered all their Indian software vendors, including Infosys, in different rooms at the Taj Residency hotel in Bangalore so that the vendors could not communicate with one another. This customer's propensity for tough negotiations was well-known. Our team was very nervous.

First of all, with revenues of only around \$5 million, we were minnows compared to the customer.

Second, this customer contributed fully 25% of our revenues. The loss of this business would potentially devastate our recently-listed company.

Third, the customer's negotiation style was very aggressive. The customer team would go from room to room, get the best terms out of each vendor and then pit one vendor against the other. This went on for several rounds. Our various arguments why a fair price -- one that allowed us to invest in good people, R&D, infrastructure, technology and training -- was actually in their interest failed to cut any ice with the customer.

By 5 p.m. on the last day, we had to make a decision right on the spot whether to accept the customer's terms or to walk out.

All eyes were on me as I mulled over the decision. I closed my eyes, and reflected upon our journey until then. Through many a tough call, we had always thought about the long-term interests of Infosys. I communicated clearly to the customer team that we

could not accept their terms, since it could well lead us to letting them down later. But I promised a smooth, professional transition to a vendor of customer's choice.

This was a turning point for Infosys.

Subsequently, we created a Risk Mitigation Council which ensured that we would never again depend too much on any one client, technology, country, application area or key employee. The crisis was a blessing in disguise. Today, Infosys has a sound de-risking strategy that has stabilised its revenues and profits.

I want to share with you, next, the life lessons these events have taught me.

**1.** I will begin with the importance of learning from experience. It is less important, I believe, where you start. It is more important how and what you learn. If the quality of the learning is high, the development gradient is steep, and, given time, you can find yourself in a previously unattainable place. I believe the Infosys story is living proof of this.

Learning from experience, however, can be complicated. It can be much more difficult to learn from success than from failure. If we fail, we think carefully about the precise cause. Success can indiscriminately reinforce all our prior actions.

**2.** A second theme concerns the power of chance events. As I think across a wide variety of settings in my life, I am struck by the incredible role played by the interplay of chance events with intentional choices. While the turning points themselves are indeed often fortuitous, how we respond to them is anything but so. It is this very quality of how we respond systematically to chance events that is crucial.

**3.** Of course, the mindset one works with is also quite critical. As recent work by the psychologist, Carol Dweck, has shown, it matters greatly whether one believes in ability as inherent or that it can be developed. Put simply, the former view, a fixed mindset, creates a tendency to avoid challenges, to ignore useful negative feedback and leads such people to plateau early and not achieve their full potential.

The latter view, a growth mindset, leads to a tendency to embrace challenges, to learn from criticism and such people reach ever higher levels of achievement (Krakovsky, 2007: page 48).

**4.** The fourth theme is a cornerstone of the Indian spiritual tradition: self-knowledge. Indeed, the highest form of knowledge, it is said, is self-knowledge. I believe this greater awareness and knowledge of oneself is what ultimately helps develop a more grounded belief in oneself, courage, determination, and, above all, humility, all qualities which enable one to wear one's success with dignity and grace.

Based on my life experiences, I can assert that it is this belief in learning from experience, a growth mindset, the power of chance events, and self-reflection that have helped me grow to the present.

Back in the 1960s, the odds of my being in front of you today would have been zero. Yet here I stand before you! With every successive step, the odds kept changing in my favour, and it is these life lessons that made all the difference.

My young friends, I would like to end with some words of advice. Do you believe that your future is pre-ordained, and is already set? Or, do you believe that your future is yet to be written and that it will depend upon the sometimes fortuitous events?

Do you believe that these events can provide turning points to which you will respond with your energy and enthusiasm? Do you believe that you will learn from these events and that you will reflect on your setbacks? Do you believe that you will examine your successes with even greater care?

I hope you believe that the future will be shaped by several turning points with great learning opportunities. In fact, this is the path I have walked to much advantage.

**A final word:** When, one day, you have made your mark on the world, remember that, in the ultimate analysis, we are all mere temporary custodians of the wealth we generate, whether it be financial, intellectual, or emotional. The best use of all your wealth is to share it with those less fortunate.

I believe that we have all at some time eaten the fruit from trees that we did not plant. In the fullness of time, when it is our turn to give, it behooves us in turn to plant gardens that we may never eat the fruit of, which will largely benefit generations to come. I believe this is our sacred responsibility, one that I hope you will shoulder in time.

Thank you for your patience. Go forth and embrace your future with open arms, and pursue enthusiastically your own life journey of discovery!