



Sanjeev Bikhchandani

Eight years is a long time in the life of a dot-com entrepreneur. In 1999-2000, Sanjeev Bikhchandani was struggling, and “probably the worst off” from his batch at the Indian Institute of Management, Ahmedabad (Class of 1989). Then, Mammon smiled and opened his purse strings. And how? Today, he is among India’s richest people, and a rupee multi-billionaire to boot, via his stake in Info Edge, the country’s only listed dot-com company. But he does not want to stop there. “Info Edge is not going to stop growing,” he says. Over the past few months, it has launched Brijj.com, a professional networking site modelled on LinkedIn, which is expected to leverage Naukri’s jobs database. Earlier in 2007, as part of his desire to build Info Edge into a “world-scale” company, he launched Naukrigulf.com, which does exactly as the name suggests, and it is already gaining tremendous traction. Sometime next year, the company expects to launch Shiksha.com, an educational website, about which he is reluctant to share details.

Then, with a market capitalisation of over Rs 4,200 crore, and an earnings multiple of over 80 (based on Info Edge’s projected net profit of Rs 50 crore in 2007-08), the company is well placed to mobilise large sums of money to fund new businesses or acquisitions.

Bikhchandani does not categorically rule out acquisitions, but believes that Info Edge has the capability to innovate. “That’s why we are still an entrepreneurial company,” he says. Already, Naukri.com, the core of Info Edge’s business model, is India’s #1 job-search portal.

Bikhchandani is now worth about Rs 1,800 crore, courtesy his 43 per cent stake in his flagship, but, until recently, drove around in an old Opel Astra. Though he has now upgraded to a new Honda Accord, he has no problems taking the battered old office Innova if his children hijack his car. In fact, he gets upset when money talk comes into the picture. “We not only created wealth but also built an institution,” he says.

At a recent conference organised by The Indus Entrepreneurs in New Delhi, he was one of the stars of the show. Potential entrepreneurs, young and old, walked up to ask him for advice. It’s a role Bikhchandani enjoys. “If he inspires a 100 people to do their own thing, it will be worth it. If one of them succeeds, that’s even better,” says Saurabh Srivastava, a serial entrepreneur and non-executive director of Info Edge.

Bikhchandani surprises you with his infectious energy, and seems to live in a state of perpetual excitement, which is why getting him to stand still for a picture is quite a challenge, but he is also an honest man. “Believe me, I was very introverted until I became an entrepreneur,” he says.

His transformation to the extroverted, socially affable man he is today was a result of him teaching at a couple of management institutes and MBA-prep classes in the early years after he set up Info Edge in 1990. “I started teaching in order to earn some extra cash so that I could go out for the occasional drink or dinner,” he says. Incidentally, he launched Info Edge as a

searchable trademark database in his father's garage in Delhi's not-so-glamorous eastern district (making Info Edge a garage start-up in the truest sense of the word). But what makes Bikhchandani's story so interesting is that he is not your typical entrepreneur who had oodles of funding from the outset.

He readily admits that he lived off wife Surbhi's salary for the first three years and held down two jobs. He helped Chandan Mitra when he took over *The Pioneer* in 1996, assisting in both managerial and editorial roles, something, Bikhchandani claims, helped tremendously with his PR skills. "Sanjeev's business skills were crucial in those early years; he took ownership of his roles and even though I couldn't afford to pay much or at all at times, his enthusiasm was an inspiration," says Mitra. It was in 1997 that Bikhchandani set up Naukri.com on a server in the US, which his brother paid for. Internet connectivity in those days was still very patchy; the first Naukri page was literally a text-only page; graphical internet access was an even rarer commodity than internet access, which, in those days, cost Rs 15,000 for 500 hours from the then state monopoly Videsh Sanchar Nigam Limited (VSNL). The graphical version of the site had a bright yellow background, which Bikhchandani, ironically, could not even see. "I used to wonder why we got so much hate mail about bad layouts from the US," he jokes today.

Future plans

- Turn Info Edge into a "world scale" company
- Expand the company's offline offerings
- Move into the professional networking area through brijj.com
- Start a new portal in the education sphere called shiksha.com
- Establish a college that will become a centre of excellence in education

But while holding down two, or rather three, jobs, since he effectively had two jobs at The Pioneer, Bikhchandani displayed another of his remarkable traits—an ability to attract talent that he largely managed to retain—among them, Hitesh Oberoi, Chief Operating Officer, Info Edge, and Ambarish Raghuvanshi, Chief Financial Officer, who, along with Bikhchandani, are co-promoters of the company.

Bikhchandani, by his own admission, is now more of an ideas man, the public face of the company; and Oberoi runs the day-to-day operations of the company. "The three of us still discuss everything, and yes, we do argue about what to do, but we always find a compromise," says Raghuvanshi with a smile.

"It is to Sanjeev's credit that he created a start-up without anything by way of funding and with only a solid team to back him," adds Srivastava, "and that is what should inspire future entrepreneurs." Between 1997 and 2000, Info Edge did not get any funding. In 1999, several people approached Bikhchandani with cheque books in hand, but he said no. "If we got money, I would have to work full time on the website, but I quite enjoyed working at the newspaper," he jokes. There was a more serious reason as well: he wanted a good deal. However, competition from Jobsahead.com, which started in 1999, forced him to accept funding from ICICI Venture in April 2000. "They were better than us in every respect," Oberoi admits. "That was when we decided to take the money to fund our future plans, but even then, we weren't certain about what would happen."

One month after ICICI Venture had put in Rs 7 crore into Info Edge, the dot-com meltdown occurred, and several dot-coms went belly-up. “It was a difficult time,” Bikhchandani recalls. “But we just hunkered down and prepared to last it out.” And while Bikhchandani has basic tips for all entrepreneurs, he is the first to admit that he got lucky. How? The first, of course, was his wife, who supported him through the rough times. Then, he says, it was his job at Hindustan Milkfood Marketing (HMM), now GlaxoSmithKline, which he took up after graduating from IIMA in 1989, that gave him an insight that he later leveraged. He noticed that his colleagues always read the last pages of business magazines, where the placements ads were. “It was a voyeuristic tendency more than anything else. I remembered that when I started a job search site in 1997,” he says.

Bala Deshpande, Director (Investments), ICICI Venture, and a member of the Info Edge board, is more rational. “Luck is just a series of consequences of your previous actions; what counts is what you do with it.

Info Edge and Sanjeev have always been very clear about their plans and very honest. They have gone against our advice, but they have had the courage of their contrarian conviction, and that is the biggest lesson other people should take out of this company,” she says. It was a win-win partnership. When ICICI Venture finally divested the last part of its 10 per cent stake in 2006, its investment had grown 28.5 times over six years.

The final piece of luck was the fact that Naukri’s biggest competitor, Jobsahead.com, sold out to Monster.com in 2004. “They were one year behind us in revenues, but they had some solid technology on their side,” says Oberoi. There were some integration issues, and while the competition stumbled, Naukri consolidated its position at the top of the internet pile. That is when Bikhchandani decided that the company should go back to its entrepreneurial roots and venture into new businesses. In 2004, it acquired Jeevansathi.com, a marriage portal, and in 2005, started 99acres.com, a real estate listings portal.

Bikhchandani has also earned the respect of his peers. “Sanjeev’s story is inspirational,” says MakeMyTrip Founder Deep Kalra. “He has been a friend, philosopher and a guide for the past few years, and has both the breadth and the depth of knowledge that few people have. Not only does he have a 30,000-foot view of things but he also knows the ground-level stuff. And the best

Peers to watch



Anupam Mittal,
shaadi.com

Reason: Mittal is an extremely successful web entrepreneur, having set up India’s leading matrimonial site, shaadi.com, in 1997. Since then, his company, People Group, has ventured out into several other areas, including film-making, and also set up India’s first popular “friendship” site, Fropper.com.



Deep Kalra,
MakeMyTrip.com

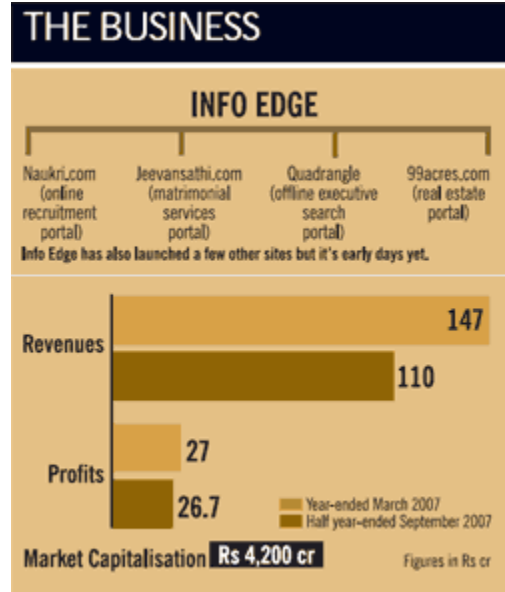
Reason: Also a veteran webentrepreneur, he has founded India’s first and leading travel portal, MakeMyTrip.com, and considers Bikhchandani a “friend, philosopher and guide”. He has innovated by building off-line support for the travel business and also a travel portal, oktatabyebye.com.



Rohit Agarwal,
TechTribe.com

Reason: The founder and CEO of TechTribe.com, a professional social networking site targeted specifically at IT professionals is on a high. This magazine nominated TechTribe as one of India’s Cool Companies earlier this year and this dot-com is definitely one to watch. Incidentally, this is a market Info Edge itself is targeting with Brijji.com.

thing about him is that he has not changed a bit.”



Bikhchandani is now looking ahead, and taking steps to ensure that he stays ahead of the pack. Info Edge's model of depending on IT recruitments leaves it vulnerable to a downturn in the industry.

To insure his company against this, he has, as mentioned earlier, taken naukri.com to West Asia. The plan now is to dramatically ramp up penetration in that market. Then, Shiksha.com could initially be an educational classifieds site, "connecting students to institutes", but Bikhchandani does not rule out offering more services.

Then, he expects initiatives like Quadrangle and allcheckdeals.com, which contribute minuscule amounts to the company's top line now, to gain critical mass going forward.

And finally, Bikhchandani, who rails against the politics of reservations in Indian colleges, and a group of friends have decided to establish a college. "The plans are still embryonic, but educational excellence is what will drive India forward, not the mediocrity that is doled out today," he says passionately. Wouldn't it be a nice fit—integrating backward from a job portal to an education portal to a college renowned for academic excellence? Now, that's an interesting idea.