



The QuEST

PRINCIPLES

Ajit Prabhu, CEO and chairman of the engineering company QuEST, outlines the ten principles that enabled it to grow from an unfunded startup to a \$300m+ company

Ajit Prabhu arrived in America with just \$60 in his pocket. Like many other young Indians, he came to the US to advance his education.

To pay his way through a Masters and then a PhD in engineering, he worked as a contract engineer at General Electric (GE). It was a formative experience.

When he secured a job at GE's R&D centre in New York, he discovered a desk that had once belonged to Thomas Edison. But it wasn't Edison's engineering genius that struck a chord with Prabhu.

"When I sat at that desk, my question was not about Edison the inventor, it was more: how did this company which started with the electric light bulb go on to build engines and medical parts?"

His observations at GE inspired him to build his own company, QuEST Global Solutions.

The firm offers end-to-end product development and engineering solutions to major global corporations. It was started with funds from the founders' credit cards in 1997, but has grown into a \$300m+ business. From a humble one-room operation with two engineers it now employs 7,000 people globally, with development centres on three continents and offices in six countries.

Prabhu believes the company's success is built on ten principles.

1 **Inquisitiveness: pursue knowledge - value will follow.**

"Some of the companies we work with have been there for hundreds of years," he says. "Take Bosch as an example, or GE. These great companies have stood the test of time. Many of these companies would have started small, in a garage, and I'm fascinated >

Prabhu with students from his alma mater, the Government Junior Technical School in Hubli, India, which QuEST supports with scholarships



by what leads a company to go on to build what they have become.

“That sense of inquisitiveness is tremendously important in my mind, and I’ve inculcated it within our leadership team. Of course, as we grow, there are so many questions we have that we don’t have answers to, and that leads to an open and transparent culture. It leads people to humility because we don’t know all the answers, so we’ve got to figure it out.”

2 Aspirations: stay hungry.

“Every six months we get together as a management team of about 125 people. And we focus the attention of the management team on important issues,” says Prabhu.

“For example, we have scaled to 7,000 people based on just five client accounts. But we have another 35 accounts in the business, that have the same potential but which we haven’t managed to scale yet. That leads people to look at why we have failed so far with the others and to look at what we did with the first five to understand how we might replicate that success.

“So I think we look at failure as an opportunity to learn. We like our people to take risks, and then the failures are equally respected because we’re saying that we’re learning – we’re trying to become better.”

3 Purpose: create jobs to build a society.

“I think the creation of jobs is probably the most important thing anybody can do for society, because corporations are what create the jobs and pay the taxes,” explains Prabhu. “I think job creation leads to people paying their taxes, the taxes go to the government, and the government builds better lives for many people – you build a society.

“Successful corporates have a big responsibility for the people. And the more jobs they create the more secondary jobs are created as a result.”

4 Beliefs: ordinary people can do extraordinary things.

“I don’t consider myself to be anything but ordinary. People have aspirations and if they’re given the right opportunities



they can become successful” says Prabhu.

“So I don’t look for heroes or superstars. I think if an organisation is to be successful, it can’t be done with just one person, it has to be done with lots of people – so you have to have the right structure in place, you have to have the right systems in place, the right values.”

5 Think big, act small: start small and keep adding.

“Our business grows one engineer at a time,” says Prabhu. “When you read the economic reports, they talk about trillions of dollars of opportunity all over the world, and so there’s always a tendency for people to say: I want to go for world domination. I want to go here, I want this, I want that investment, infrastructure. Sometimes our guys want everything. So I have to bring them back and say, why don’t we take a look at this one customer, one service, or one region?”

“The world is not going to change overnight. I think one has to start small and keep adding.”

6 Choice: do simple things well again and again.

“In any organisation, different people

will see things differently. So managers won’t always make the same choices. If you give one manager \$1m, they might decide to go out and hire ten guys, and put them in ten places. But another manager might experiment by investing \$100,000 and keeping the other \$900,000 in a bank.”

Either approach can work, of course, but Prabhu favours the latter. “I don’t like to see us spread too thin,” he says. “Stay focused, and keep adding one thing at a time. Growth for the sake of growth is not a good thing, so we have to grow in a proper fashion. I think it’s good to be small, but it’s better to be profitable.

“Making choices has been the hardest part for me in the business. I see people with the same set of information make very different choices. What I’ve encouraged is tolerance; it’s not necessary to get too excited, and not consistently act on the long-term basis.

“For us it’s not necessary that we have to go after winning more accounts – that’s not required. It’s just a question of whatever we did, how can we implement it?”

“And sometimes people don’t get it – they want to go after lots of new things at the same time, so you’ve got to keep them contained with that core belief.”

“The creation of jobs is the most important thing anybody can do for society”

7 Teaming: hire people smarter than you.

“In our business we have to build trust with our customers, and building trust is a time-consuming process,” explains Prabhu.

SUCCESSFUL TRAITS OF ENTREPRENEURS FROM AJIT PRABHU

- 1** Do not fear failure. It is OK to fail but it is not OK not to try.
- 2** Learn to stay alive. You have to be profitable. Standing on your own two feet is the number one job in business. The future belongs to those who know how to take care of their present.
- 3** Surround yourself with people who are smarter than you and build a complementary team. Find people who are inquisitive and are driven to do better things for themselves and those around them.
- 4** Be ready to have no work-life balance. Accept it. It is not an eight-hour job. If you want to accomplish something meaningful in life and make a difference to many, including your own families, sacrifices have to be made.
- 5** Be humble. You will not have the answers to all the problems all of the time. You must have the ability to tap into the brainpower of your team.
- 6** Learn to shrink time – all the time. Time is the most important commodity. You cannot save it for the future. Don't get paralysed by perpetual planning and looking for all the facts. Apply your collective judgment and make a call.
- 7** Believe in yourself and your goal. Get away from people with dark clouds over their heads – in business and in life.
- 8** Have a purpose larger than just making profit and never stop asking questions. Asking questions is a powerful way to achieve greatness in life.

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According to Prabhu, it makes sense to surround yourself with people who are smarter than you

“So you’ve got to build a relationship. Building a relationship is not about having a nice dinner and a nice conversation, it is about creating value for each other. We bring senior people from within the customer firm into our business, and pair them with somebody who has QuEST knowledge. They work together to bridge the gap between the two sides. And that’s why we say diamonds are needed to cut a diamond. Those kinds of relationships can’t be established overnight.

“At QuEST, we have 1,300 US citizens, 450 British, 300 people in Spain, 100 in Italy, and now we are looking at acquiring a company in Germany. I believe in hiring locals because you can do business only if you know the local culture.”

8 Focus: strategic few versus tactical many.

“Focus is the bedrock for any company’s success,” he says. “It’s the ability to control your own mind, the organisation’s mind, and the team’s mind and to channel all that creative energy, to make sure that the initiative becomes successful.

“If you start too many initiatives that energy gets dissipated very quickly. You have to constrain that by saying, out of the ten initiatives we’re going to just do three. And sometimes people are disappointed because their initiatives didn’t get funding, even though they were a great plan, but I think those choices actually lead you to success.”

9 Conservatism: a hut on the ground is better than a palace in the air.

The final principles are conservatism and change. There is an interesting tension between them, Prabhu acknowledges. The future, he says, belongs to those who take care of their present. So how do you reconcile those two things?

“There is a synergy between them,” he explains. “Let’s say we win an account and as soon as we win the account we tell two leaders, one from operations and one from sales, your mission is to earn enough profit so that you’re on your own. And we give them a lot of freedom to make choices – just make sure that they stand on your own feet first. I think conservatism is exactly that – to conserve the business.”

10 Change: those who can adapt and change, thrive.

“Every business has to manage the present and the future at the same time,” concludes Prabhu. “And it is by far the most difficult thing, because managing the present itself takes a lot of effort and energy. But that alone won’t make you succeed in the long term. You have to be able to change as well: there is a healthy tension between the present and the change.

“Businesses need to reinvent themselves on a continual basis, and change doesn’t mean changing everything at once – it is a change with small experimentation.” ■