



May 2014



Thinking Aloud

The Information Business – Jay

Podium

Interview with **Kaushal Sampat**, President & CEO - Dun & Bradstreet – India

We Recommend

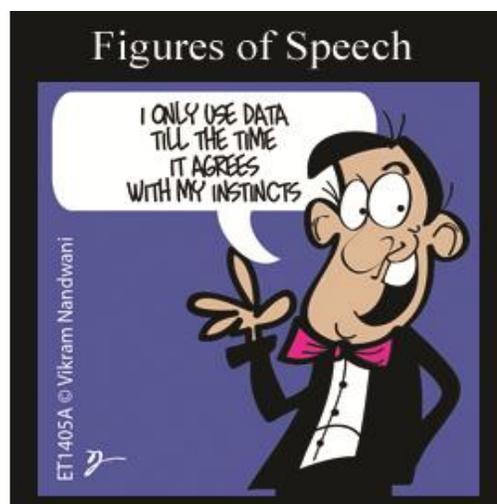
Things A Little Bird Told Me – Biz Stone

Standing Ovation

Vikash, Orissa

Dear Reader,

In the times we live in today, we inevitably face making a choice based on data and information which are both qualitative and quantitative in nature. More often than not, the type of decisions we make now may also have a rippling effect on future choices. Financial decisions for one can be difficult at times given that we are clouded with so much of data from various sources, and yet we often ask ourselves “how much information is enough to make an informed decision?” Then there is the reliability factor which may be at stake too. The importance of making a choice in monetary terms, be it at an individual or corporate level, has gained prominence that we have many educational institutions imparting financial knowledge to non-finance professionals. Apart from this, there are several companies which help investors and key decision makers to dissect information, make sense of the same and then make a move to invest rather than just depend on instincts alone.



This month on ET, we take a quick look at the Financial Information sector.

In **Thinking Aloud**, Jay talks about the information flooded world that we live in and the difficulty to judge which data will lead us to the intended results. It becomes particularly difficult to interpret numbers, prominent in the world of finance amid the vast number of firms which not only attempt to explain the maze of financial data but also flaunt their products and services. Panel experts, technology and other tools of analytics all do add to making sense of the financial puzzle, on one side, while on the other, there remains the limitation of how reliable such interpreted data can be.

On the **Podium**, Mr. Kaushal Sampat, President & CEO - Dun & Bradstreet – India, gives readers a glimpse of the

financial information sector in India. Today, the sector is still in the maturing stage compared to other developed markets and is faced by many challenges such as the absence of a central level public registry and mechanism for bulk file transfers, among other concerns. He is of the opinion that investors are bombarded with enough and more information coming from various sources (read Information Paradox). Mr. Sampat also explains the role that Dun and Bradstreet as a company plays to overcome this paradox, highlighting some of the products and services that the company has to offer to its customers.

In ***We Recommend***, Co-founder of Twitter, Biz Stone, through his book 'Things a Little Bird Told Me' shares his insights on business success. The book which is much more than a rags-to-riches story tells one about merging one's abilities with ambitions, and to look through the lens of infinite possibilities, driven by ideas and not plain hard work alone. The author addresses key aspects of any business, be it failures, vulnerability, ambition and corporate culture. He also tells readers the importance of creativity and how to tap and harness it.

Standing Ovation features Vikash, an NGO based in Orissa which functions in the backward areas of the State to empower and uplift the people in these communities. It aims to provide quality education, healthcare facilities, equal opportunities for the disabled and aims to address other issues related to the right to sustainable livelihood and good governance, among others. It has a special consultative status with the Economic and Social Council of the United Nations and many of its models have been used in local/regional networks.

In ***Figures of Speech***, Vikram's toon suggests that personal instincts and data can sometimes go hand in hand!

As always, we value your opinion, so do let us know how you liked this issue. To visit our previous issues you can visit the Resources section on the website or simply [Click Here](#). You can also follow us on [Facebook](#), [Twitter](#), [Linked In](#) & [Google+](#) - where you can join our community to continue the dialogue with us!



Thinking Aloud

The Information Business - Jay

We live a world where we are inundated with data. The amazing computing abilities at our disposal have allowed us to slice & dice numbers in myriad ways and throw up mind-boggling comparisons. Take a simple game like cricket. Time was when performance was easy to interpret from the scorecard. No longer so; the money ball analysts have taken over the game and suddenly there is a new way of looking at everything!

This is when you must recall Alvin Toffler's words that, 'You can use all the quantitative data you can get, but you still have to distrust it and use your own intelligence and judgment.'

So when it comes to the world of finance, the art & science of making meaning from numbers is particularly interesting – and very complex. In this jungle of statistics, making sense of the second-by-second update of markets is difficult. Compounding the problem is the presence of many fly-by-night financial firms who play around with data to tout their products & services. What is necessary therefore are reliable names who can be trusted with offering rigorously researched reports which can truly explain trends and offer meaningful pointers and predictions

for the future.

Therefore this is fertile ground for well known names like Dun & Bradstreet, Euromonitor, Bloomberg, Reuters, etc.

What all these firms have done is to harness the power of technology not just to offer real-time data but bring together a team of experts, armed with the latest tools of analytics, and a quiet reassurance for clients trying to make sense of the financial maze around them.

There is always a caveat when it comes to reliability of information that is on offer: the past need not be a true indicator of future. This applies to the reports from the most well known firms too. Time to remember that none of them saw the financial tsunami of 2008 coming!

What does the future have in store for this industry? As in all other industries social media is a disrupter and financial information services firms also are asking themselves how this media can be harnessed to not only distribute their insights but also to offer timely inputs.

In the meantime, the role of such firms continues to be vital. They provide the best guidance for companies who attempt to forecast markets for their products & services, and also to individuals who wish to make reasoned judgment calls when they try to navigate through the gusty financial waters.

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Podium

Mr. Kaushal Sampat, President & CEO - Dun & Bradstreet – India (D&B)



Mr. Kaushal Sampat, President & CEO - Dun & Bradstreet – India (D&B), is a holder of an MBA from Bowling Green State University, Ohio.

He joined Dun & Bradstreet in 1998 as a Business Analyst and has held several strategic and operational responsibilities at the company, helping to drive the growth of D&B's various businesses in India namely Risk Management Solutions, Sales & Marketing Solutions, Economic Analysis Group and Learning Solutions. He has also managed the operations of D&B's Risk Management Solutions business in Middle East and Africa. Mr. Sampat has played a significant role in setting up SMERA Ratings Limited, D&B's joint venture with Small Industries Development Bank of India, and serves on its Board.

Mr. Sampat is a member of the Young Presidents' Organization and serves on the Managing Committee of the Indian Merchants' Chamber.

ET: Dun and Bradstreet has been rated as one of the world's leading providers of business information,

knowledge and insight. How has your journey been in India and what do you envision for the company in the near term?

KS: D&B's Indian operations started in 1995 and the company has offices in Mumbai, Delhi, Chennai, Bangalore, Kolkata, Hyderabad and Ahmedabad. Dun & Bradstreet Information Services India Pvt. Ltd. (D&B India) offers its services to banks, financial institutions, multinationals, corporate entities, public sector undertakings, exporters and importers. In India, D&B operates four business verticals –

- Risk Management Solutions
- Sales & Marketing Solutions
- Economic Analysis Group
- Learning Solutions

Over the years, D&B has built strong strategic alliances & partnerships with –

- Export Credit Guarantee Corporation of India Ltd. (ECGC)
- SMERA Ratings Limited. (SMERA)
- Credit Information Bureau (India) Ltd. (CIBIL)

Near term plans for D&B India:

- To strengthen our position as a market leader in the Credit risk information space through enhanced coverage of company financials, growing our Trade Exchange program, developing Credit scores and credit recommendations.
- Help customers manage their credit portfolio risk better through our cloud based tool, D&B Prism that can be integrated into their workflow.
- Introduce D&B Compliance products into the market place so that CFOs/Boards can ensure that their entire supply chain is compliant with international legislation such as FCPA, UK Bribery Act, etc.
- Strengthen our Marketing database by 2.2 Million and enhance our professional contact database by **1 Million contacts.**

ET: Investors today are looking for more and better financial information to make wise decisions. What is the role of your firm in generating financial information in this context?

KS: During the course of preparing our credit reports, apart from pursuing owners, partners or directors of business entities to provide information on their business, operations, management, promoters, etc., we endeavour to gather financial information viz. balance-sheets, income statements, etc. This is most critical in the case of sole-proprietorships and partnership firms where there is an absence of a central level public registry. In case of private limited companies, many times, getting income statements tend to be challenging.

Hence, in our various offerings we provide financial information and / or information having financial implications like, Default towards Debt Obligation, litigations, Provident Fund default, payment behaviour towards suppliers, etc.

At present, our database comprises of over ~61,000 records with detailed financial statements, ~115,000 plus records with key financial information, ~780,000 plus linked records, ~100,000 plus records with payment behaviour information towards at least 3 suppliers, etc.

Through our proactive efforts and during the course of credit report preparation, this business / financial information gets updated on a regular basis. This enables us to provide better insight to our client by way of risk rating, risk score, portfolio risk analysis and management, risk monitoring, benchmarking, etc. This helps our client in better risk management and to take informed decisions.

ET: Is the financial information sector in India well defined and what are the challenges that the Indian market in this sector faces when compared to other nations?

KS: Unlike developed markets, the Financial Information sector in India is still maturing. When it comes to Bulk Data Transfer from public registry and / or regulatory institutions, India still hasn't caught up from a regulatory perspective.

Though, through the implementation of MCA21 e-Governance Project in the year 2006, the Ministry of Corporate Affairs has made a good beginning; India still faces the following challenges with regard to Financial Information Infrastructure:

- 1) Absence of central level public registry or repository for regulating registration, financial information collection, closure of non-corporate businesses (like Sole-Proprietorships and Partnerships which constitutes approx. 90% plus of India's Commercially Active Universe CAU)
- 2) Absence of Bulk File Transfer mechanism from public registry and / or other regulatory institution (through auto-feed, electronic feed, XBRL, XML, etc.) with regard to registration of businesses, updation of changed business records, financial statements, closure of business; litigation data, payment default data, alert facilities, etc.
- 3) Financial Statements filing in XBRL format needs to be made mandatory to all business entities, not just incorporated entities.
- 4) Availability of litigations data from courts on an online basis.

ET: Media and other sources today bombard investors with financial information that eventually makes it difficult for end users to make informed choices. Is this a matter of concern and what is your advice on how to discern fact from fiction?

KS: Yes. Investors and clients are indeed facing the 'Information Paradox' - too much information, but very little actionable insight. Only those industry players, who can, by understanding clients' requirements, provide indispensable content along with meaningful insight at the right time and in a right way to customers, are going to meet their needs on a sustainable basis. To turn information into a meaningful insight (thereby distinguishing facts from fiction), we, at D&B, follow a DUNSRight™ Process, having Quality Assurance being a cornerstone. This process of collecting and enhancing data has five quality drivers viz:

- a) **Global Data Collection:** We bring together data from a variety of sources worldwide.
- b) **Entity Matching:** We integrate the data into the D&B Database through Entity Matching, resulting in a Single, More Accurate Picture of each business entity.
- c) **D-U-N-S® Number:** We apply the D-U-N-S® Number (nine-digit identification) as a unique means of identifying and tracking the business globally through any changes it goes through.
- d) **Corporate Linkage:** The D-U-N-S® Number also enables Corporate Linkage to build corporate families to provide a view of Total Risk and Opportunity.

e) **Predictive Indicators:** Predictive Indicators use Statistical Analysis to indicate the likelihood of a business to perform in a specific way in the future.

In today's financial world, information is available in plenty with media and other sources continually giving updates on various financial parameters. This has resulted in end-users / investors faced with the dilemma as to which information to trust and which not to, in turn affecting their ability to make informed choices. Though the choice of end-users / investors depends on what purpose they intend to use the available information e.g. short-term or long term credit investments, it is necessary that they access the required financial information from the authentic and credible sources such as company's annual reports, disclosures by regulators such as RBI, SEBI, or come to companies such as D&B.

ET: Your firm periodically announces the Optimism Index based on surveys of Indian Business. What is your reading of the current business environment in India?

KS: The Business Optimism Index & CFO Optimism Index is widely recognized as an indicator that measures the pulse of the business community and serves as a reliable benchmark for investors.

The survey on Business Optimism Index and the CFO Optimism index carried out by D&B on a quarterly basis reveals that a sense of confidence appears to be slowly returning among the business community even as business sentiment continues to be plagued by uncertainty. Expectations of revival in investment activity due to partial resolution of stalled infrastructure projects, equity inflows into India, resilience in Rupee and decline in inflationary pressure could be partly responsible for the trigger in business sentiment.

However, clear signs of economic recovery are yet to emerge. With the outcome of the Lok Sabha election, notwithstanding the positive sentiment, India Inc continues to exercise caution as the corporate sector remains highly leveraged and profit levels remain restrained. Also, weighing on the sentiment is the continued weak performance of industry and increase in risks to agriculture from the possible El Nino phenomena. In order to translate the optimism amongst the corporate into an upturn in the investment cycle, effective and speedy implementation of structural reforms to correct the economic imbalances would be required.

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We Recommend

**Things A Little Bird Told Me -
Confessions of the creative mind: Biz
Stone (Co-founder of Twitter)**



The book takes you through the personal experiences from his childhood, career and life and draws parallels with these experiences and throws light on how they have influenced him in his way of thinking.

Embellished with tales of the ups and downs with working in Silicon Valley and Biz's journey from obscurity to stability at Google, the call of entrepreneurship (which steered Evan Williams, Jack Dorsey and Biz) to start Twitter and unshackling himself from a successful enterprise to start at the beginning at another new venture - Jelly.

A self-confessed creative genius, Biz's journey surprises as well as inspires. His strength of character is reflected in the way he bounces quickly from failure to success and is not ashamed to open up about his blunders. He comes off as sunny and warm and willing to look like a fool at times. Biz's firm belief that constraint inspires creativity is what gave birth to Twitter which was limited to 140 words. Biz was willing to take the risk and trusted his instinct and ability to deliver what he believed in. People have played an important part in this journey and he has always focused on emotional investment – Twitter put people first and technology second. To quote Biz – “No matter how many machines we added to the network or how sophisticated the algorithms got, what I worked on and witnessed at Twitter was and continues to be a triumph not of technology but of humanity”. It's interesting to note that it is possible to build a company whose purpose is not only making money, but also making people's lives better.

To capture the essence of Biz's world

- Opportunity can be manufactured
- Great work comes from abandoning a linear way of thinking
- Creativity never runs out
- Asking questions is free
- Empathy is core to personal and global success (if you don't love what you are building, if you're not an avid user yourself, then you will most likely fail even if you are doing everything right)

In Biz's own words –“The book is more about a rags-to-riches tale. It's a story about making something out of nothing, about merging your abilities with your ambitions, and about what you learn when you look at the world through a lens of infinite possibility. Plain hard work is good and important, but it is ideas that drive us, as individuals, companies, nations, and a global community. Creativity is what makes us unique, inspired, and fulfilled. This book is about how to tap into and harness the creativity in and around us all.”

About the author: Christopher Isaac "Biz" Stone was born on March 10, 1974. Stone graduated from Wellesley High School in Massachusetts and though he did not complete his graduation from Northeastern University, Stone holds an honorary Doctor of Laws from Babson College, and is a Fellow at Oxford University. He resides in Marin County, California with his wife Livia and his son Jacob. He and his wife founded and operate the Biz and Livia Stone Foundation, which supports education and conservation in California.

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Standing Ovation

Vikash, Orissa



Based in Orissa, Vikash is an NGO established in 1986, to provide treatment and life with dignity to leprosy affected people. In the initial days, inclusion and development of leprosy affected persons were the key activities of the organization. In the 90s, it was a leader in promotion of alternative energy. Towards the end of the century, it had earned respect for its work in the field of disability. It works in socially turbulent areas of the Eastern Ghat in Dandakaranya belt. Its model for waste management has been replicated in 100s of hospitals and many urban areas.

Today, the NGO operates in 14 underdeveloped districts of Orissa, spanning over a million individuals. Some of the issues concerning Vikash include:

- Right of Disabled Persons for Equal Opportunities
- Right to Basic Health Services
- Right to Quality Education
- Right to Sustainable Livelihood
- Right to Good Habitat
- Right to Live with Dignity
- Right to Good Governance

Strategy

- Empowerment of the community
- Programme implementation through functional groups and interest groups
- Institutionalisation of service and product specific development programmes
- Designing and implementing sustainable development programmes
- Develop as a resource centre in specific sectors
- Undertake innovative pilot projects

Vikash being a sustainable development facilitator is a part of many local, national and international networks. It has also promoted networks locally in important sectors like disability and environment. It has a special consultative status with the Economic and Social Council of the United Nations. Apart from this, it has played a key role in promotion of local/regional networks like:

- Coast-net- A State level civil society network for development in coastal zones
- Bhinnakhyam Mahasangh / Orissa Forum for Differently Abled (OFDA) – a State level network of disabled people
- Akhyam Sanghathans- Associations of Disabled people at block and district level
- Women's unions (Krushak Nidhi)

- Committee for Equitable and Quality Education for All
- Green Circle Clubs
- Green Energy Forum, Orissa

To get in touch with Vikash, one can visit <http://vikash.org> to know more.

For its various accomplishments, Vikash deserves a standing ovation!

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