



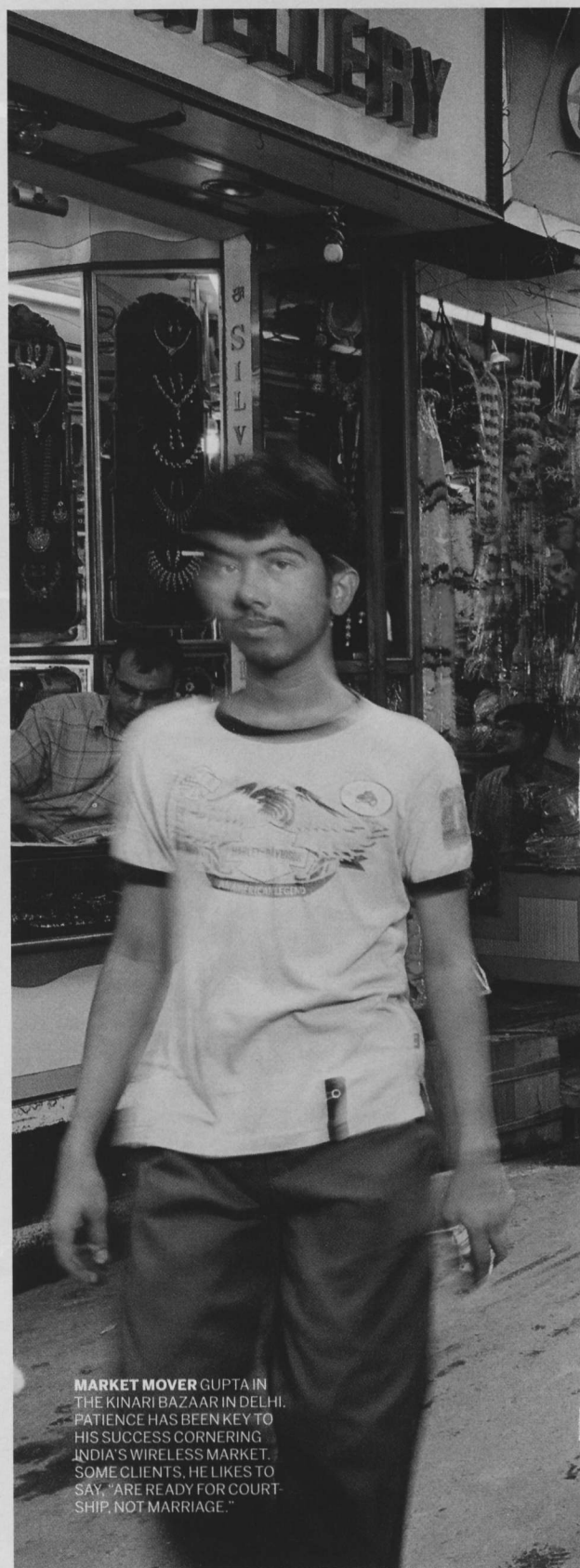
IBM's All-Star Salesman

Vivek Gupta doesn't play golf. He's never been to Armonk. But as Big Blue's go-to guy in its fastest-growing division in the fastest-growing part of the world, he's out to sell you on a very big idea.

By Jessi Hempel

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IVEK GUPTA BARELY waits for the driver to pull to a stop before jumping out of the back seat of the taxi. He strides toward a converted textile mill in south central Mumbai, which now houses the offices of Vodafone Essar, a subsidiary of the British-based wireless provider. Inside, it looks as if a procurement manager has ordered an entire catalog of Herman Miller's latest offerings, from angled cubicles to mushroom-shaped noise-canceling devices. Gupta exchanges pleasantries with the



MARKET MOVER GUPTA IN THE KINARI BAZAAR IN DELHI. PATIENCE HAS BEEN KEY TO HIS SUCCESS CORNERING INDIA'S WIRELESS MARKET. SOME CLIENTS, HE LIKES TO SAY, "ARE READY FOR COURTSHIP, NOT MARRIAGE."





MAD MEN IBM SALESMEN IN THE LATE '30s. AT AN EARLY SALES MEETING, FOUNDER WATSON COINED A ONE-WORD MOTTO FOR HIS TEAM: THINK.

The IBM Sales Force, Then and Now

1937		2008
Electric keypunch machines, printing tabulators	WHAT THEY SELL	"Solutions" that include software, hardware, advice, and outsourcing
Branch offices all over the U.S.	WHERE THEY WORK	Mobile sales force works mostly from client sites and home offices.
Predominantly American, heavily WASP	BACKGROUND	From 170 countries
Blue suits, white shirts, quiet ties, wingtips	DRESS CODE	Anything from suits to khakis
Telephone, written ledgers	TOOLS	BlackBerrys; sales-pipeline management software; wikis, blogs, podcasts, and IBM's intranet
Face-to-face teaching, using manuals like the 1934 <i>Fundamentals of Salesmanship</i> ("You are not selling machines, you are selling what machines will do").	TRAINING	Stars are sent to IBM Global Sales School, an 18-month program with stints at foreign business schools, mentoring, and online coursework.
People stayed in tents at IBM headquarters in Endicott, N.Y., for a days-long Golden Circle event honoring the top 1.5% of the sales force.	AWARD CEREMONIES	IBM's top 1% flew to Bermuda for three days of spa treatments and speeches by the likes of Michael Douglas as a reward for membership in the Golden Circle.

SOURCE: IBM

security guard and takes the stairs to the executive suite two at a time, greeting half-a-dozen people by name along the way. He stops before the office of Vodafone's chief technical officer, who looks up warmly. "Vivek!" the man says, springing to his feet. He claps Gupta on the back. "Sometimes even we are not sure if his name badge says 'Vodafone' or 'IBM.'"

Actually, his badge says 'IBM'—Gupta, 40, joined the company as a salesman five years ago. That said, it's safe to say that he knows more about Vodafone than many of the people who work here. Once or twice a week he travels from his home in Delhi to Vodafone's offices here in Mumbai (he makes the two-hour flight on Jet Airways economy, because the food's half-decent). He knows at the same time as the "superboss," as he calls Vodafone's managing director, if there's a switching problem at one of the company's cell towers. He can rattle off the number of seconds it takes for a call center rep to pull up a customer's record (11) and the revenue each new customer delivers to the company monthly (\$7 to \$9). He can do the same for his other two big telecom accounts, wireless leader Bharti Airtel and the No. 6 player, Idea Cellular.

Gupta is IBM's top salesperson in the company's fastest-growing industry in the fastest-growing part of the world. An earnest man of medium height with a mustache that twitches when he smiles, which is often, he radiates quiet determination. "I don't remember a single deal in my career which I pursued and I lost," he says, digging in his pocket to check a text message, then silencing his gold Dolce & Gabbana RAZR. "It's just a question of time. If I play very smart, I can crack the nuts very quickly. If I don't play smart, it might take some time."

Apple is known for design. Wal-Mart is known for low prices. GE is known for churning out impeccably trained managers. And IBM? More than anything, IBM is known for knowing how to sell. Ever since the 1930s, when Thomas J. Watson Sr.'s handpicked classes of mostly Ivy League grads began each day with the rallying song "Hail to the IBM," the company has been a vaunted sales training ground. Six of the company's eight CEOs have come up through sales, including the current one, Sam Palmisano. He calls his 40,000-strong sales force "our face to the client."

With overall revenues growing at about 6% annually, IBM is depending on emerging markets—where revenues are growing 14% a year—to continue powering its growth and its stock. It's up 15% this year, while the S&P 500 has lost 6%. That

COURTESY OF IBM. PREVIOUS PAGE: CONTACT PRESS IMAGES/PHOTO INK

puts Gupta on the front lines of IBM's business. While one might think it would be easy to sell to wireless companies in a country where a population equivalent to New York City's is adding cellphone service every month, it's not. Though IBM first entered India in the 1930s, it left in the 1970s, along with most other foreign-owned companies, after the government enforced stringent foreign-ownership regulations. IBM returned in 1992, shortly after the government relaxed those laws in a movement known as "liberalization," and in 2002 the country became the centerpiece of IBM's emerging-markets strategy. But when Gupta joined five years ago, IBM was angling for a foothold in a market where relationships, trust, and blood trump everything (more than 70% of the market cap on the Mumbai exchange is family-controlled). When he first told Vodafone's "superboss" that he planned to take the job, the response wasn't exactly encouraging. "I don't do any business with IBM," he told Gupta, "and I don't intend to." His established relationships were working just fine.

Overcoming such resistance has always required IBM salespeople to be part teacher, part psychologist, part glad-hander. But Gupta's generation must also be part diplomat, part entrepreneur, part inventor. He's not just selling products from an IBM catalog; he's sifting through the company's vast research labs and inventing new combinations of goods and services tailored to each customer. He's not just selling you chips and mainframes; he's selling you the call center that your customers use and the software that automates your billing. He's selling you the security login that your employees need to enter

the building and the intranet page that they see when they log on to their computers. He's selling you the engineer who will oversee your cellphone towers, and the researcher to dream up new services that you haven't even thought of yet.

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The scope of what he sells is so great that, taken together, what Gupta's essentially selling is an idea. It's at once radically simple and just plain radical. He wants to convince you that IBM can run your business—your entire business, save for strategy and marketing—better than you can.

IVEK GUPTA THRIVES on identifying discomfort. "You have to understand their pain points," he says of his customers. "And

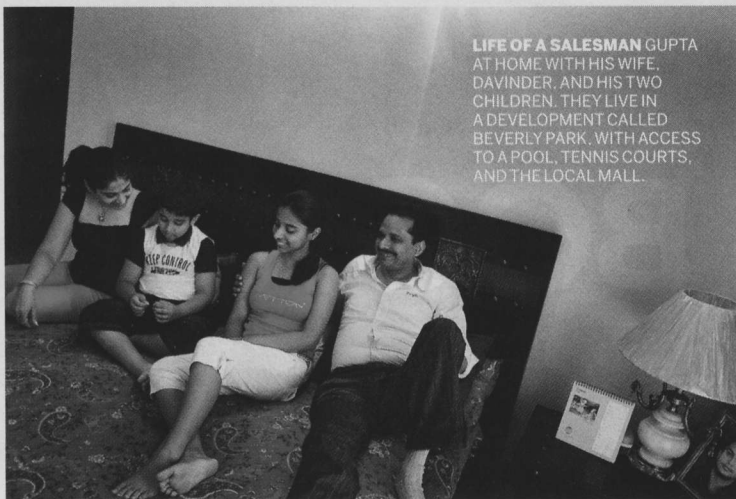
they're not going to spell them out." Several years ago he had a fruitless first meeting with a sales prospect at a wireless telecom. Though the prospect said he was perfectly happy with his current partners, Gupta asked if he could study the business anyway, no strings attached. First, he dropped by the company's switching center in Mumbai and chatted with the engineers on the floor. One mentioned that the microwave radios the company used to transmit call signals from one tower to the next weren't as reliable as he'd like. In his next conversation, Gupta mentioned he'd heard microwave radios were a problem. Figuring Gupta was in the know, this second engineer confided that the problem was



GROUPTHINK GUPTA WITH IBM COLLEAGUES OUTSIDE THE COMPANY'S HEADQUARTERS IN DELHI. IBM'S RESEARCHERS, ENGINEERS, AND SALESPeOPLE WORK IN TANDEM.

"You have to understand their pain points," says Gupta of his customers. "And they're not going to spell them out." When he's turned down, he asks to study the prospect's business anyway, no strings attached.

ANTONIN KRATOCHVIL—VII



LIFE OF A SALESMAN GUPTA AT HOME WITH HIS WIFE, DAVINDER, AND HIS TWO CHILDREN. THEY LIVE IN A DEVELOPMENT CALLED BEVERLY PARK, WITH ACCESS TO A POOL, TENNIS COURTS, AND THE LOCAL MALL.

would eventually become Vodafone. Again, Gupta started small. He persuaded them to let IBM provide their employees laptops in 2003. Within a year Gupta had bagged his first order for IBM servers. All the while, he knew the execs were keeping an eye on Bharti Airtel, whose growth had started to explode. He began planting the seeds: What if they could, like their competitor, spend all their time worrying about strategy rather than trying to build the best data-entry system? Gupta knew that it was key not to push too hard. During one early meeting with the Vodafone team, he could see that the prospects were losing interest. Gupta's sales team responded by cornering their prey by the buffet, drinks in hand, and pitching them even harder. Noticing the twitch in the general manager's brow and his glazed eyes, Gupta made a quick move. "I rounded up my guys in the other room and said, 'Look, this customer is not

serious: Six or seven times each week the network was effectively crashing. Gupta had found his pain point.

At the same time, he began compiling a dossier on his prospect: The man had two grown children, his wife taught public school, and they lived in Delhi. One evening when they were scheduled to go to the same industry event, Gupta offered to pick the guy up at home, knowing that, as is the custom, he would be invited in for tea. That night Gupta kept things light. But two months after the initial sales snub, he made a second call to the man, now a friendly acquaintance, explaining the problem with the microwave radios and offering a relatively inexpensive fix. A small contract for microwave radios led, within a year, to other deals worth \$100 million.

Gupta, however, was after billions, not millions. He was right in the middle of the fastest-growing cellphone market in the world. Small, inexperienced startups were battling for market share, and speed was everything. Spending months or years hammering out back-office systems could spell the difference between dominating the industry and being an also-ran. What if the wireless telcos could free up money and brainpower to focus on strategy, branding, and marketing, while IBM attended to the corporate innards?

Gupta had the perfect prospect. He had first met Bharti Airtel founder Sunil Mittal (unrelated to steel magnate Lakshmi Mittal) a dozen years earlier. "I remember sitting across from Mr. Mittal at the table negotiating for a batch of just 20 air-cell towers. Now they buy thousands and thousands," he says. In 2003, Gupta and his boss, Ramesh Awtaney, approached Mittal, whose company was a relative newcomer to the wireless business, with a novel idea: IBM would build the bulk of the company's back-office operations in exchange for a cut of the profits. The ten-year deal was expected to be worth \$750 million, but five years in, it has grown to \$1 billion. It is now used as a case study in IBM's emerging-markets training.

Mittal's endorsement gave IBM the perfect calling card to approach the dominant player in the market—the company that

prepared for marriage, he is prepared for courtship, so let's spend some time on courtship," he remembers. Observes Vodafone CTO Naresh Gupta (no relation) of his negotiating partner: "He looks very polite. He tends to agree with whatever the customer asks. But then he gives what he has to give. That's the trick. It will not appear to the customer that he has not given," he chuckles.

Four years after his initial sales call, in December 2007, Gupta sold Vodafone—the same crew who vowed never to do business with IBM—on a five-year \$600 million contract to handle everything from customer service to finances.

HE GUPTA FAMILY lives in an apartment complex called Beverly Park in Gurgaon, a newly built suburb just outside Delhi.

Their 3,100-square-foot ground-floor apartment has boxy modernist furniture and a sculptured backyard where Gupta often brings clients and colleagues to cap the evening with a whiskey. The complex has security, a pool, tennis courts, and parking for his black Toyota Camry, which Gupta's driver washes by hand nearly every day. On Sunday afternoons, when Gupta's time is finally his own, he walks across the parking lot, hand-in-hand with his wife, to shop. His two children, 15 and 8, attend private schools nearby. (Gupta's IBM forebears would approve. As 25-year sales veteran William Simmons wrote of his training at IBM in the 1940s: "To live in a less desirable suburb or part of the city was thought to reflect poorly on IBM.") Gupta won't disclose his salary but says his apartment cost \$200,000 three years ago, and today he thinks it's worth \$500,000. His wife, Davinder Kaur, is happy to have a permanent home: She and their two children moved between Bangalore, Jaipur, and Delhi seven times in seven years when he got his first big job in telecom.

ANTONIN KRATOCHVIL-VII

Economically it's a big step up from his own childhood in the northern Indian city of Chandigarh, where Gupta was the youngest of five kids and the coddled only son. His father, a mathematician who worked for the government, was already saddled with the dowries for four daughters but scraped together tuition for Gupta to attend a local engineering college. At 23, Gupta took a sales job at a regional telecom company that sold walkie-talkies. "Back then I didn't ask clients for their phone numbers," he said. "I asked if they had a phone." While his peers were selling 20-unit

batches of walkie-talkies, Gupta jumped on the fact that the Indian government was soliciting bids for private companies to provide walkie-talkie systems for truckers. Businesses were invited to submit proposals to run the systems in each of the hundreds of cities in India. "What do you do," Gupta inquired, "if you want to do business in more than one city?" The government's response: You turn in more than one proposal. So Gupta created a production room in his office building and hauled in 70 photocopiers. He persuaded his colleagues to help him run off more than 25,000 pages of documents. "We submitted close to 100 trunks in a big truck," he says. He ended up winning the business for every single city in India.

Gupta, in other words, knows how to work a bureaucracy, which probably has something to do with his success at IBM. "IBM has a far more complex matrix, compared with other organizations," says Gupta's boss, Awtaney, matter-of-factly. "To know who are the people who need to say yea and how would you navigate this in the system is very difficult." In India, IBM has added 65,000 people—or grown 800%—since Gupta joined. To understand how the place worked and what his colleagues could offer his clients, he launched a vast investigative effort into his own company. He paid courtesy calls on new colleagues in the research labs to see what they were up to. He enlisted engineers in brainstorming sessions to see what they thought Vodafone or Bharti Airtel could use. He got plenty of coaching from IBM's professional education team, with courses like "Basic Blue" (how to get things done) and "Mega Sales" (how

Gupta's Trade Secrets

- **Know the players.** "I start with the organization chart. Then I start figuring out who's the fox and who's the guy who can actually swing this entire thing. I mean, at times the organization is very deceptive on paper."

- **Don't blame others.** "You can say, 'Look, the CIO is a bastard. He's corrupt.'

Or you can say, 'Look, he wants to give me business. Why isn't he?' Once you get tuned to that way of thinking, you'll never point fingers. Instead you'll think, That will probably require a little more effort. I have to jump a little more."

- **Salute your peers.** "Sales guys get a lot of attention because

they are the front-liners. But the delivery team is like the engine. They need motivation and glorification."

- **Be a partner, not a pitchman.** "The moment you become a true friend to clients and start feeding them with information, you strengthen their hand, which in turn strengthens yours."



to negotiate the really big deals). Early on, he was picked for this elite program, which combined a week each at business schools in Singapore and China, 18 months of online coursework, and regular meetings with a mentor to guide him in negotiating complex deals. Next year Gupta will be among only a few dozen IBMers to take "Bright Blue," a course specifically designed for leaders in emerging markets.

Of course at IBM, even superstars have quotas. Gupta won't divulge what his are, but says that they're pegged to analyst estimates of industry growth, and he adds that he exceeds them with such regularity that he barely checks how he's doing anymore. Last May, as a reward for being a perennial member of IBM's quota-topping 100% club and among the 1% of IBM's sales force who bring in the most new business, the company flew Gupta and his wife to Bermuda for a week of fancy dinners, spa treatments, and speeches by the likes of Michael Douglas.

If, between the Singaporean business school, the Chinese business school, and audiences with Michael Douglas, it seems that IBM is prepping Gupta for a more global role, that's the idea. His boss Awtaney recently moved to Singapore to handle telecom sales throughout Asia and the South Pacific. Gupta could follow a similar vertical path, or he could move within the company to another industry. The best way to do this, he knows, is to spot an opportunity in a fast-growing market where IBM doesn't compete yet. In Gupta's living room, as we munch on chicken with marinated curd that Davinder has made, the lights flicker and dim, and then the

For an early career pitch, Gupta brought in 70 photocopiers, and got colleagues to help run off 25,000 pages. He ended up winning the walkie-talkie business for every single city in India.

fan's hum goes momentarily silent. This has happened on the half-hour all evening, yet no one stops talking when the room goes dark. It's unnerving. Finally I ask, "What's with the electricity?"

The generator has kicked on now, and the whirl of the fan starts up again, the lights brightening. "Power," says Gupta. His eyes narrow. So much is wasted! Stolen! Mismanaged! He's visited IBM's research lab, where the company has developed a technology that lets power companies monitor the flow of power—where it's coming from and where it's leaking—in order to maximize it. He knows the power can't be this bad forever in half-million-dollar homes. People will demand that it improve. Could he do for energy what he's done for

wireless connectivity? Could he get in on the ground floor and help build out this industry? "I might," he says, pondering the idea. After all, "It's all sales." ■

FEEDBACK jhempel@fortunemail.com



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