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Entrepreneurs Need Financial Advisors from Early Stage

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Entrepreneurs never have set income; they never take income out of the company. The incomes they make are minimal. So learning to manage that is very important. Hence, for an entrepreneur it is really important to surround himself with advisors whom he can trust from the early days. Trust only comes with time. Once your company evolves and grows big, everybody wants to be your friend. Getting very strong advisers early on from the personal side and from the business side is very crucial for the entrepreneur. These advisors can help him with questions like "How do I structure my contract", "How do I go to VCs?", "How do I divide the shares of the company?" Entrepreneurs usually face liquidity issues. Startups and entrepreneurial ventures need money, but as they grow, they need good strong advisors. For lot of these entrepreneurs they need tax advisors. So they need to work closely with their CPAs on creating tax sufficient investments. I also think that for an entrepreneur it is very important to look at the liability part of the balance sheet. Everyone thinks that wealth Manager is for Managing wealth. It's true, but they also manage liability, whether it is about the entrepreneur buying a house or leasing a car. Also in future they might think of going public. So how do you go about on the IPO road? There will be a lot of people who will be pitching you at that point because you have built a great company. But if you have an advisory core group already in place, it is easy to plan things such as succession planning, expansion and so on.



Entrepreneur's Dilemma

I think some of the things that have changed over 13 years is, the financial world has become a lot more complicated today, between tax laws and global investments, the landscape is more sophisticated which means the need for good advice is stronger than it's ever been. You have economic volatility globally. You get so much information when you pick up the newspaper, or you see the CNBC and Bloomberg. But that lacks good advice. The more the information, more people get overloaded; but then they don't know what to do. So the financial landscapes are lot more sophisticated with ever changing tax laws and globalization. The need to have good strong advisors has never been stronger.

India when compared to U.S.

The way of doing business is very different in both the countries. But there exists a commonality which is very exciting. India today is probably what U.S. was when the Rockefellers and JP Morgan were building this country. It's a time of phenomenal entrepreneurship in India; it's a time of unbelievable growth. It is like their renaissance. But we being Indians, we tend to be more pessimistic. We hear everyone talk about the problems in India; but according to me India has attained an impressive growth. To be more specific, it has been only 63 years since India got its freedom, whereas U.S. got it almost two centuries back. India has achieved significant growth in this small period.

Reflections of a Second Generation Indian American

My value system came very early on by watching my parents. My dad came to U.S. in 1952, travelling 22 days on a boat, not even a plane. He worked very hard in IBM for his career. He never asked for glory, he humbly did his job. My mom also came here, she did her double masters. They set a very good example of work. We understand the value system that our parents gave us which was to understand our culture and above all know your subject matter. However during our times, we don't strive for money or glory but we do strive to measure up to sacrifices our parents made. They made great sacrifices that we never have to make. They did it for a better life and we almost owe it to them and ourselves to be the best we can be. You look at what Sanjay Gupta is doing in the Second generation -- he's always pushing himself to be better. It's not about money, it's about how can I be better? When you see Indra Nooyi, when you see these people, it's not about striving for money but it's a passion for knowledge that I think is the greatest lesson we learnt in the Indian community. A passion for education -- to keep learning always. This is the greatest gift my parents have given me. I am a Senior Vice President now but I never assume I know everything. I think it's the greatest lesson that we have and will be giving to the future generation. I might have resented it earlier on when I had to study and the other kids were playing. But that is a pretty big lesson of growing up and it's very helpful to have role models to look up to.

Role models in the journey

I had a lot of role models. When I read stories of Dhirubhai Ambani, I very much look up to the things he stood for, the things he was able to do in his lifetime, though the kids are different. But surely Dhirubhai Ambani! I like Warren Buffet here, and Donald Trump. I like any entrepreneurial story for that matter. There is a lot of ways that your parents have influenced you, because as Indian kids growing up back then we were pretty sheltered. We went home to our dosa, rice, rasam, sambar and our lifestyle. And not till were we much older did we go to other people's households and learn what

American families did. I was born in the 69 and growing up in the 70s, so really our role models were the ethics and values we learnt from our parents and our in-laws.

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