

First, in stark contrast to India's outsourcing destination for call centre services tag, *Bharti Airtel* counter-intuitively outsourced several parts of its value chain, including IT to IBM and network equipment to *Nokia, Siemens* (now merged) and *Ericsson*. This move is key to *Airtel's* strategy of disaggregating the value chain; one that it has pioneered in the telecom industry, which has a high-cost passive infrastructure. In 2014, *Bharti* divested its tower business in Africa to *Helios Towers* (a company backed by George Soros, Madeleine Albright and Jacob Rothschild) and to *Eaton Towers* and *IHS Towers*, two leading tower business companies in Africa. It also outsourced some of the network operation of the former *Zain* operation to *Huawei* and *Ericsson*. Imagine that: an Indian company outsourcing its activities to Western multinationals!

However, this innovative way of thinking about the telecom business model is central to *Airtel's* strategy. According to Akhil Gupta, one of the architects of *Bharti's* strategy, the company followed three key questions in outsourcing parts of the value chain: 'First, who has the better domain knowledge, is it us or somebody else, and forget about core and non-core; second, who can attract better human capital; and third, who has better economies of scale? If the answer to all three was somebody else, then we definitely outsourced'. Irrespective of established norms and practices, *Bharti Airtel* aimed to simplify and innovate in terms of the business model to grow. By outsourcing to major international players and developing business models that incentivized all parties to improve and grow the mobile network services, *Airtel* created a new low-cost high-growth business model.

Second, *Airtel's* 'minutes factory model' focuses on increasing subscribers who spend little, compared to the traditional model that focuses on average spend per subscriber. *Airtel* is not one of the leading telecom companies in the world by revenues, but by focusing on increasing its subscriber base it has focused on understanding the world population that is under-served by other telecom companies. The hallmark of entrepreneurs and firms from emerging economies is that they have to improvise and innovate from a low cost base, inferior technology and underdeveloped home markets. By turning all three negatives into opportunities, *Airtel* aimed to rewrite the rules of the game globally.

Third, *Bharti Airtel* has developed significant global presence on its board of directors since 1997. The British telecom company *BT* had a 44% stake in *Bharti* until 1999. Donald Cameron, *BT's* former Director (New Ventures), joined the *Bharti* board in 1999. Sunil Mittal also invited PM Sinha, President and CEO of *Pepsi*; N Kumar, Vice-Chairman of the *Sammur Group*; Wong Hung Khim, Group Chairman & CEO of *DelGro* Group of Companies, Singapore; and Pulak Prasad, Managing Director, *Warburg Pincus*. In announcing these appointments, the company emphasized the importance of people with global exposure and global mindsets:

We welcome the new independent directors, who come into Bharti with their vast wealth of professional expertise ... These corporate leaders will help us to further focus sharply on shareholder value, guide us in ensuring the best of corporate governance and assist us in making Bharti a company that is managed by leading edge, world class values, processes and practices.

Arguably, it is the involvement of the private equity firm *Warburg Pincus* that acted as a catalyst for *Airtel's* global ambitions. As Sunil Mittal recalled: 'Warburg Pincus let us think big'. They invested US\$292 million to finance *Bharti's* growth and worked closely with *Airtel's* management team to shape the strategy. Equally important was the involvement and investment from *SingTel*, Singapore's largest telecom company, which holds around a 30% stake in *Bharti Airtel*. And its CEO (Chua Sock Koong) and nominees are represented on the board of directors of *Bharti Airtel*. Gupta recalls the significance of *SingTel's* involvement:

We had great relations with Vivendi, BT and Italia Telecom, but we realized that when the going got tough in their home turf, their first reaction was to get out of Asia. For all of them, Europe came first. But for SingTel, Asia comes first. India is its biggest jewel today.

One would be hard pressed to find other MNEs with such an internationally diverse board, let alone an Indian company.

Sunil Mittal may have been inspired by his namesake LN Mittal and the *Mittal Arcelor* deal, or by the *Tata Corus* deal, both in 2006. But this was different. This was an Indian firm going global by looking at strategically prioritizing other emerging economies. Whereas the *Mittal Arcelor* and the *Tata Corus* deals in the steel industry