

THE CORPORATE start-up

Sumant Sinha's ReNew Power reflects an attempt to create an entrepreneurial, collaborative work culture to drive faster growth

BY APARNA PIRAMAL RAJE

A framed one-page document testifies that even this most corporate-looking office has something unusual to offer. I'm in the Gurugram, Haryana, headquarters of ReNew Power, a five-year-old clean energy company started by former banker Sumant Sinha. An independent power producer (IPP), ReNew Power generates wind and solar energy across India. Although the company is young, Sinha's glass-walled cabin bears little resemblance to a start-up, reflecting, he says, his professional background of working mainly in corporate environments, with large companies such as the Aditya Birla Group, Suzlon Energy and investment banks in the US and UK. This interview was conducted weeks before ReNew Power's latest round of fund-raising was announced on 15 February.

A quintessentially business-like presidential desk, generous sofas and wood-paneled décor are complemented by shelves lined with official trophies and business books. "The books were mostly gifts, some I've read, some I haven't. *Execution* by Ram Charan is interesting, as I'm working with him right now, so I'm interesting to read the book and then interact with the person." Business memorabilia includes photographs of Sinha with political dignitaries such as Ernest Moniz, former US secretary of energy, and Narendra Modi, when he was chief minister of Gujarat. The walls are decorated with sepia-tinted photographs of the company's milestone moments. Among the various trophies, Sinha points to one commemorating the third round of fund-raising in October 2015. "That was pretty important for us because we got a higher valuation." There is even a golf putting set near the window—the emblematic corporate accessory that Sinha says was a gift from a friend.

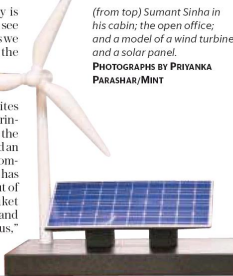
ACCORD FOR GROWTH

Yet the framed document on a shelf behind Sinha's desk is an anomaly. It's called *The Eye Of The Tiger*—the Ranthambore Accord of November 2016. It reads: "Three hectic days of tiger-chasing and the resulting bursts of excitement and dejection made us reflect upon our business and life in general. Our broad takeaways were—1) Never Give Up; 2) Things happen when you least expect them to; and 3) While we focus on the end-goal, it is equally important to enjoy the journey. The open dialogues that ensued helped us arrive at specific objectives, listed below, that we now commit ourselves to—". This is followed by a list of specific business objectives.

Signed by each member of the ReNew senior management team, the "accord" is becoming an annual company ritual. "We had taken our senior management on an off-site to Phuket, Thailand, in 2015. We agreed on what our game plan would be and then we all signed it. I got my copy framed, the others all received a soft copy. This year we went to Ranthambore, and we did something similar. And one of the reasons we



wrote the reference to the journey is because after three days of trying to see a tiger that did not materialize, just as we had given up and we were leaving the park, we saw one. Just literally at the last possible second," Sinha says. While company off-sites and annual targets are intrinsic to business life, this is the first time I've encountered an official framed accord signed by the company's leadership team. "The team has pretty much remained the same. Out of the 14 people who signed the Phuket Accord, I think we had one fall off, and five new people who have joined us," Sinha says.



(from top) Sumant Sinha in his cabin; the open office; and a model of a wind turbine and a solar panel. PHOTOGRAPHS BY PRIYANKA PARASHAR/MINT

MANAGING YOUTH AND SCALE

The accord is an expression of a "corporate start-up"—a young company that has the resources, talent and ambition to envisage and plan for rapid and scalable long-term expansion, yet is dynamic in its assessment of market conditions, and can adapt to change.

It reflects an engaging attempt to create an entrepreneurial, collaborative work culture and foster high levels of engagement among team members to drive faster growth.

"When we started five years ago, getting to 210 MW size was a big deal. Last year we went from 500 MW to 1,000 MW, and this year we are going from 1,000 MW to 2,000 MW. So we are actually increasing

our installed capacity by 4x in a matter of two years," Sinha says.

His sights are clearly set higher. He wants ReNew to become a multi-thousand megawatt, global company. "That's absolutely what I want to do," he reiterates.

Interestingly, Sinha says his belief in the company's ability to scale is relatively recent. "To be honest, in the beginning I was taking it incrementally because it was a question of survival and proving basic things to myself and to my stakeholders. But after we crossed a certain point, I found that we were sort of getting ahead of others. And I realized that maybe we've got the platform to do something much more lasting and meaningful."

INTANGIBLE DRIVERS OF TANGIBLE VALUE

Sinha attributes the success of the projected, capital-intensive business to three driving principles: disciplined risk management, transparent governance and access to capital. These, in turn, were fortified by a specific set of values and business practices. "We had a policy of raising equity capital, ahead of time, before the debt comes in. So over a period of time our lenders have become quite comfortable working with us, leading to easier access to capital," he says.

"Also, we've been very careful about the projects that we've selected in terms of the discounts that we were selling to, in terms of evacuation problems potentially, in terms of land-sourcing capabilities or abilities, and very importantly, in terms of what the regulatory architecture was," he adds.

The conversations with Sinha reinforce my ongoing belief that even in sectors such as infrastructure, where economic value is measured by tangibles such as energy-generation capacity, it is intangibles such as business values and processes that ultimately determine success. Clean energy, in more ways than one.

The sector is also important for other reasons: Sinha says that although the Indian renewable energy sector has already attracted over \$10 billion (around Rs66,900 crore) in capital, it gets only a fraction of the attention that the Internet technology and e-commerce sectors command. "The only ones who have raised more money than we have are Flipkart, Paytm, Snapdeal, and maybe Ola. But nobody even thinks about the sector in those terms. So the whole start-up conversation that people have starts and stops with e-commerce," says Sinha.

At a time when the stance on climate change is likely to be renegotiated globally, it is even more important that independent power producers such as ReNew succeed in their endeavours, so that they can establish the viability of entrepreneurial investments in clean energy and also help address climate change concerns.

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The CEO's view

ON STRATEGY: "What I've learnt about strategy is that while you can examine all the data in the world that you want, ultimately a lot of the decisions have to be intuitive in nature, based on your understanding of the sector or how you think things will pan out."

ON EMPLOYEE ENGAGEMENT: "We need to actually increase the amount of employee engagement substantially. We have to monitor that very carefully, because ultimately that is a measure of the ownership that people have in the company."

ON GIVING NEGATIVE FEEDBACK: "Very directly. I think it helps to just have a very transparent relationship with the employees, so if there is any problem you call them in and just talk to them. I think if you talk to most of the guys here they will tell you that in the five years that we've been running this business, I've not lost my temper even once. I am fairly calm."