



# Inside Business

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**Entrepreneur with global vision presents insights on cross-industry issues and trends.**

About ninety students from two Executive MBA (EMBA) groups and one Master of Science in Management Information Systems (MSMIS) group had a treat when **Jerry Rao**, the CEO and managing director of MphasiS, spoke on the topic “Leadership, Ethics, and Technology in 2007.” MphasiS is a leading information technology and business process outsourcing company (BPO) with headquarters in Santa Monica, California, and Bangalore, India. Among his many distinctions, he has twice received the Ernst and Young “Entrepreneur of the Year” award.

For some of the EMBA students, the visit from Rao seemed reciprocal, since they had visited MphasiS in 2006 during their international trip under the leadership of **Sumit Kundu**, associate professor, Department of Management and International Business and faculty director of the EMBA program.

Sponsored by the Chapman Graduate School of Business, the special presentation took place on January 27, 2007, and was made possible by the personal relationship between Rao and **José de la Torre**, dean of the Chapman School.

“Jerry Rao is the poster child for IT entrepreneurship on a global scale,” de la Torre said. “His company grew from five individuals with a dream in late 1998 to a firm that will soon have more than 20,000 employees and do more than \$400 million in business worldwide.”

De la Torre met Rao early in his career, “when he was just beginning to shape his plan and it struck me how he was planning an organization that would be ‘born global,’” he said. “Rao’s vision, stamina, and intimate knowledge of the global financial industry has paid off handsomely.”



***Sumit Kundu**, associate professor, Department of Management and International Business and faculty director of the EMBA program welcomes **Jerry Rao**, the CEO and managing director of MphasiS, while Chapman Dean **José de la Torre** looks on.*

*Lecture poses questions about corporate strategies.*



*Jerry Rao, the CEO and managing director of MphasiS, spoke to a group of EMBA and MSMIS students and faculty at a lecture focused on leadership, technology, and ethics.*

“For me, the most interesting part of the presentation was Rao’s discussion about how the Japanese cannibalized the auto industry by starting with low-margin cars like the first Hondas,” said **Irma Becerra-Fernández**, (PhD ’94), associate professor, Department of Decision Sciences and Information Systems. “At that time, GM’s CEO was quoted as saying, ‘We’ll let them keep that business.’ Fast forward to today, and the Japanese industry has captured a major market of the luxury car industry.”

According to her, Rao then drew the analogy to the IT industry, which started to outsource to India for the low-margin Y2K conversion jobs and posed the provocative question, “‘Could the same thing happen to the IT industry that happened to the auto industry?’”

“His talk was evidence of his grasp of global issues as he laid out the future of globalization in the service industries and what we should expect as services get deconstructed just as manufacturing did four decades ago,” de la Torre said. “Such ability to break work down into component parts, together with dramatic advances in telecommunications, will lead to a globally distributed service economy that goes well beyond IT services and that will challenge existing corporate strategies across a wide spectrum of industries.”