G-Lab ’09: Ras Resort, India

Resort Marketing in Mumbai

Michelle: Today we have Gerardo Guzman and Karen Bruck with us. They both recently took part in a G-Lab project in India, welcome guys. And G-Lab as we understand it is probably one of the more popular and compelling classes offered at MIT Sloan. And we’re wondering if you could tell us a little bit about how you got involved in the specifics of the project itself.

Gerardo: So, as you said, G-Lab is a really popular class so four of us friends got together and formed a team and got into a class. And in the beginning of the class they provided us with a whole range of different projects in Asia. And of the different projects we choose the one in this project in India in Mumbai because it was a very attractive project in terms of the content.

Karen: Well on a personal note, G-Lab was one of the reasons why I chose to come to MIT Sloan. It’s, you know when I came to I remember during the AdMIT weekend this was presented as one of the highlights of the school and it definitely was. So during the class, during the semester we’d learn about different companies in Asia and finally we got to choose the project as Gerardo was saying. And, you know, we had some internal discussions on what was the ideal project, whether it was based on the country where it was located or the company and we finally did a sort of a merge between the two.

Michelle: So can you tell us about the details of the project? It was something about a resort in India?

Karen: That’s correct. So we helped a local entrepreneur who owns a bunch of different companies, among them two different hotels. And he was trying to expand these hotels into new areas of growing cities in India. And we helped him sort of put together the plan and also put together a presentation, financial analysis to pitch this idea to private equity investors in India.

Gerardo: Exactly, his main objective was getting funding for this project. So what we were assigned to do was to help him, dress him up to get this funding. So we work with this presentation and this business plan so that he could present it to different investors.

Michelle: Now was he looking to expand just within cities in India or to go outside and be even more global.

Gerardo: He was, his plan was to expand within cities in India. Mainly because he
believe that two reasons in India was going to be growing. The hotel that he wanted to do was a business hotel. So through some analysis that we made before going there by talking with him, we found out that local tourists, local business tourists in India are going to grow a lot. So he wanted to take advantage of that opportunity and also leverage the good brand that his already existing hotel has to develop its new hotel in other locations in India.

Karen: And also his reasoning was that within India there’s a lot of potential to grow still. So right now 99 percent of the tourism in India is local and the international tourism is growing a lot, people from abroad that come to India. So he’s also trying to sort of create these three to four star hotels in India that could cater to both local and international tourists.

Michelle: Did anything change in between looking into your research when you were here versus when you got there?

Gerardo: In terms of the project it was really interesting because it changed a lot, the scope of the project. We started focusing in one goal, then we changed to another, then we changed to another, all this before we still here in Cambridge. And mostly because he’s an entrepreneur and he has a lot of ideas and he had a lot of things he wanted to do. So he was changing, every, we’d talk to him every week or two weeks, so every week or two we decided on something new. And when we got there, we already had our plan and he sort of like changed again. So dealing with all that change of mindset from the entrepreneur was a really interesting experience.

Karen: And, you know, at the beginning, we felt this was sort of frustrating because we kept changing the scope. However, this is really what entrepreneurs think and what goes through their mind when they are, you know, they have these four, sort of free consultants to work with. So he’s like how can I leverage, you know, this work force? So, you know, at the end, this proved to be a really critical part of the project and we learned a lot from this process as well.

Michelle: So what ultimately did you recommend for him or did he take away from working with you all.

Gerardo: I like to think that we add a lot of value to him. What we gave him was a presentation that he could approach private equity people to ask for some funding. And the presentation we balanced it with a lot of private equity alumni from MIT, we leveraged the network. And we also helped him understand how the private equity industry is working right now. How through these difficult times they are kind of holding on to some of their funding. And how he, and then we recommend him to wait for the financing, six months, twelve months, and look for financing then with the private equity.

Karen: But I think the most important part is how important to MIT Sloan brand is. When, you know, we send out an email to all alumni in the region asking for a contact, we came up with a list, a very valuable list of private equity contacts that they could
use in India, and also private equity in general so we could understand, as Gerardo was saying, their mindset on what they are looking for when people come to present new projects.

**Michelle:** Do either one of you have a background in private equity or are you looking to go into that realm after graduation.

**Gerardo:** No we, that was where the network of alumni was helpful, was because none of us had any experience in private equity. We had a lot of experience in consulting but not in private equity.

**Michelle:** Now are you going to, after you graduate, will you be going back to your respective countries or are you going to stay here, go somewhere new?

**Karen:** I’m staying in the U.S. I’m going to Atlanta to work for Bain & Company in consulting.

**Gerardo:** I’m going back to Mexico to work in a steel company called Turnium.

**Michelle:** Okay well thank you very much for coming in and sharing your experience with us and best of luck in your future after graduation.