

Cracking the code on security



Much to the amusement of all around him, Arjun Wallia returned from London in the mid nineties and became a “supplier of chowkidars”. His CEO-father was the least amused of all. And that was just the beginning. Wallia spent the next 12 years building Walsons into a Rs 60-crore security services company, all by himself. In 2008, his persistence paid off in the form of a partnership with Securitas, a global giant in the field. Today, as Walsons waits to become Securitas India, Wallia is the one laughing – all the way to the bank with \$20 million in hand.

BY POOJA KOTHARI

While a student at St. Stephen’s College in Delhi in the early nineties, Arjun Wallia was almost obsessed with weight training. So much so, that he started using the garage at his home to train his friends. That gave him his first business idea: make and sell gym equipment, and dispense advice on how to put a gym together. At 21, Wallia had experimented rather successfully with his first venture.

Soon after his graduation, he left for London to be a management trainee at Ford. There were 12 of them from all over the world – each better than the other in terms of education. “I decided if I couldn’t match them, I would simply outwork them,” recalls the 36-year-old. So, while the others worked from 9am to 6.30pm, Wallia worked from 6am to 9.30pm, including Saturdays. The perseverance earned him the “hardest working management trainee” title at the end of the stint.

It is the same trait which saw him through 12 long – and lonely – years during which he built Walsons, a security services company, after coming back from London. He had decided he didn’t want to work for someone. “I wanted to build an organization where I would love to work,” recalls he.

He had come back with a deal to represent two UK companies in India, but he knew he couldn’t do just that. While living at his parents’ house, he felt that the

guards' behavior left much to be desired. That gave him the idea of supplying trained guards.

But the business of security services wasn't a career choice for "professionals" like him. In the early days, he would take his briefcase and make calls at offices and shops. There would be times when he would be advised to get a job, preferably one abroad like his brother, instead of supplying chowkidars. But he stuck to his guns. He was convinced that it was a huge market opportunity, especially as more multinationals came to India. He banked on their typical strategy to outsource all non-mission critical services, such as security and protection.

He looked around and realized that apart from G4S, a global player which has been in the country since 1989, others in India were typically mom-and-pop outfits. The owner would invariably be an ex-defence person running a regional set-up. Even the workforce was primarily made up of retired army or police officers. This convinced him that the market for security services presented a great opportunity for a professional player to make his mark.

His conviction paid off. The business that was started in 1996 with personal savings of Rs 23,000 has today grown into a high-growth company with a workforce of 12,000 guards and presence in more than 180 cities. "We've grown at about 45% in the last few years," says Wallia, whose services are sought after by top firms in the country like Genpact, Wipro, Adobe and MetLife, to name a few.

In fact, Walsons last year attracted the attention of Securitas, a Swedish firm with a global network in 30 countries, which bought a 49% stake in the company. "I chose Securitas because I found them very clear in what they wanted to do, and that was very much in line with what I want to do," says Wallia, of his partnership.

It's been a long journey to Walsons Securitas, as the company is known today. In a world where most entrepreneurs and their VC mentors plan for "exits" in 5-7 years, it is almost unthinkable that someone can patiently build a business without any external funding and partners for twice those many years. "I believe that a fundamentally strong business takes about 8-10 years to build. It has to go through a couple of business cycles of people coming and going," explains Wallia. "Any new business needs that much time to let its outside stakeholders know that it is serious about its work."

And serious he was, enough to land up for a client meeting even at 1.30 in the morning. "It was one of the largest multinational call centres that we had been pitching to. They called three vendors for their transport security operations for a meeting at that ungodly hour. We were the only ones who turned up. They made

us wait a further 45 minutes outside their office, where we could see them drink coffee and do nothing. But we still waited. Then they called us in and said the contract was ours. It was their way of testing which vendor's leadership would be available during their work hours in case of a crisis," recalls Wallia. Today, Walsons has a large share of the transport security business in India.

An important reason for Wallia's success was that he built Walsons like a services business. "From the beginning, his entire approach was customer-oriented," says Richa Arora, director, human resources, Walsons.

He hired his management team from industries such as banking, airlines and hospitality, which were known to have a customer focus. He hired MBAs, CAs, quality analysts and logistics people, just like any other services business. He applied the principles of Total Quality Management and opted for quality certifications. When he worked with customers who had difficult Service Level Agreements, he used the opportunity to improve internal systems and to introduce other lesser-demanding clients to that quality of work. He made his employees accountable through KRAs.

The customer orientation remains till date. In the aftermath of the Mumbai terror attacks, in November 2008, Wallia set up presentations with his clients to emphasise the importance of crisis management. "I told my clients that everyone had to know what they are supposed to do in case of a terror attack, from the CEO to the peon. So we had everyone participating, instead of just internal security," adds Wallia.

What he wants to do next is grow inorganically through mergers and acquisitions and become a lead player in the field. And he wants to grow the business 100%, year-on-year, for the next five years. Currently, the top slot is occupied by G4S India, which has 1,30,000 people on its rolls and a 35% share of the market.

Wallia is no longer as hands-on as he was during the early days, when he would be travelling to a new city, interviewing people at Café Coffee Day outlets, scouting for office locations and meeting clients. He now spends most of his time on "industry and opportunity analysis".

He's also trying to handle the transition from sole owner to partner. "Collaborative leadership is a huge personality change," admits Wallia, so far the sole decision-maker at Walsons.

But given his level of persistence, this should come easy to him. As should the tag of a billionaire, which he wants before his 55th birthday.