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AT THE CROSSROADS: WHEN DOES A FOUNDER DECIDE TO STEP ASIDE?

INTRODUCTION

On a sultry afternoon in Mumbai in 2013, Naveen Aranha was catching his breath amid a tiring day at work. As the father of a newborn girl, moments of rest were hard to come by; but he was no stranger to the hard, tireless grind.

Naveen had foreseen an opportunity in sports data and content services back in 2002. He founded Sportz Interactive (SI) in the garage of his Mumbai home to fulfill his vision. This was long before glitzy sports leagues were broadcast across multiple channels. It was also when internet was accessible to only a handful in India. In ten years, he had led SI to be a global brand, and grown the company from four to seventy employees. He was always on the lookout to unlock the next level of growth for the company.

Even in this fleeting moment of rest, Naveen's mind was racing, as he processed the recent turn of events. In 2011, he had offered the role of CEO at SI to Arvind Iyengar, who was then about to graduate from Stanford. Arvind had passed on the offer and joined a PE firm.

Naveen was not looking to step-down in the interim. Two years later, he serendipitously got back in touch with Arvind. Their conversation reached a familiar juncture - only this time Arvind was keen to come on board.

Prof. Biswatosh Saha of Indian Institute of Management Calcutta and Nikhil Kumar Jha wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation.

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Some difficult questions circled in Naveen's head. Should he step-down and let Arvind take the helm? What would it take to have Arvind leave the PE firm and join a small venture? Would this decision help unlock new levels of growth for SI?