

BANK ALFALAH: HARNES SING NEW OPPORTUNITIES ON SME LANDSCAPE

An Interview with Javed Iqbal, Head of SME, Bank Alfalah

PAGE REPORT
(feedback@pgeconomist.com)

Starting off with just a handful of branches in 1997, today Bank Alfalah operates steadfastly with a vast footprint in order to provide creative, customized financial solutions to over 1 million consumers, corporations, institutions and governments. With a broad range of products and services as well as an experienced team set to adapt to today's rapidly changing global environment, the Bank aims to understand its clients' unique needs, expand opportunities, meet tough challenges, fuel economic growth and hence create value for its stakeholders in everything it does. An institution that connects 163 cities, 471 branches and thousands of people, Bank Alfalah strives to 'enable progress' by being one of the most admired financial services institutions in Pakistan.

Mr. Javed Iqbal, Head of SME at Bank Alfalah speaks to PG Economist on the Bank's outlook for SMEs:

(1) Bank Alfalah is one of the top SME Banks in the country; can you tell us a little about your key priorities up scaling the Bank's SME business?

Javed Iqbal: BAFI since inception has been acclaimed as a key player in the SME business, by serving this pivotal sector of the economy with generic as well as tailor made products and services, which are centric to the specific needs of Pakistan's SME customer base. In order to further bolster our SME business, we engaged with IFC, the consulting arm of World Bank Group in July 2012 to assist us in bridging the gaps for easy financial access to SMEs. We are exploring all avenues for capitalizing on global SME banking best practices in emerging economies with the help and support of the Central Bank. Though we are currently in the implementation phase of our revamped SME banking model, positive vibes have already started to flow and keeping in view the general



optimism, we have aligned our priorities with our institutional goal of becoming the most efficient transactional bank in Pakistan. In order to attain this coveted position, all efforts are being synergized to build internal capacities, refine existing capabilities and evolve new offerings in line with market dynamics. We are hopeful that this should ensure that our overall growth trajectory sustains its momentum. Our aim is to grasp promising opportunities as overall economy activity in the country is likely to start picking up shortly.

(2) What, in your opinion, are some of the key challenges for SMEs in Pakistan?

Javed Iqbal: SMEs across the globe are viewed as impetus for broad based economic growth. However, by virtue of their constitution, they are generally constrained by capacity, less driven by technology, have limited access to markets as well as resources to upgrade skills & production processes and lastly have very limited access to finance. Therefore, the challenge for us is to bridge these intermittent gaps with a wide array of asset, liability, trade and transaction products through a holistic, bespoke SME centric business platform.

(3) Can you share some highlights of Bank Alfalah's pilot project for SMEs with IFC?

Javed Iqbal: We entered into an advisory services agreement with IFC for revamping our SME business model with the aim of further improving financial access to SMEs in Pakistan, offering financial advisory services through new tools and skills, improving business practices, increasing the ability to repay loans and hence contributing towards the economic growth of the business sector.

There is tremendous growth for small-scale entrepreneurs. However, they have faced longstanding challenges in gaining financing access and most importantly, obtaining the right financial advisory services for their banking needs, which hence caps their growth prospects. Our strategic focus for the coming years is to bridge this gap and become partners for our SME clients. With the help of IFC we are strengthening and refining such capacities in order to attain the next level of efficiency by offering our customers an assortment of asset and liability products, along with dedicated platforms of convenient, easy to use, low cost transaction solutions and advi-

sory services across our far reaching branch networks.

(4) Does Bank Alfalah aim to provide non-lending support to SMEs in Pakistan as part of its business strategy as well, in order to provide a holistic solution?

Javed Iqbal: Yes, thank you for highlighting this extremely crucial offering which we intend to disseminate through Non Financial Advisory Services (NFAS). As part of our engagement with IFC, we have held a series of focused group surveys in major SME hubs such as Faisalabad, Sialkot, Multan, Lahore & Karachi to assess the total banking needs of SMEs, with a focus on Non Financial Advisory Services (NFAS). Interestingly most of the SMEs indicated interest in requiring support to improve their management skills, internet information resources and skills training workshops, seminars and interaction with specialists from their relevant sectors. Main skill based

areas of interest were financial management, technology & human resource management.

Bank Alfalah is developing a comprehensive NFAS plan to assist, train and advice SMEs in areas such as financial management, technology and HR with the expectation of increasing the ability of SMEs to repay loans, improve business practices and hence support their overall growth.

A key component of our NFAS strategy, is to provide both Small and Medium businesses access to on-line business management information and educational resources through websites, Bank Alfalah is in the process of enhancing its current website content with the addition of the SME Toolkit.

The SME Toolkit leverages the latest information and communication technologies to help SMEs in emerging markets to learn and implement sustainable business management practices and increase their produc-

tivity, efficiency and capacity as well as their access to finance and new markets.

The toolkit consists of a large body of globally relevant free contents for SMEs provided by content partners, and include amongst other aspects, business forms, tools, free software in the areas covering accounting, finance, HR, legal, insurance and technology etc.

To date this tool is supporting SMEs in more than 30 countries across the globe with the partnership of IFC and IBM.

(5) In one sentence sum up your vision for Bank Alfalah's SME business?

Javed Iqbal: With the Bank's holistic view on this segment, we hope to bolster Bank Alfalah's brand awareness and image of superior service and innovative solutions by offering efficient, low cost solutions with transactional convenience to the SME segment in Pakistan. ■



SSGC's S. Nasreen Hussain, DGM (Corporate Communications) and Inayatullah Ismail, Chief Manager (Media Relations) providing students of Government Pilot School, Nazimabad with energy conservation guidelines as part of the Company's Corporate Communication Department's awareness programs in educational institutions about energy conservation and other natural gas related issues. The session was organized by the Department's 'Energy Saviours' team on May 29, 2013.

CHINA-PAK FIRMS INK AGREEMENT TO MANUFACTURE LIFE SAVING PRODUCTS

Chinese firms Medipak and Hunan China Sun and Pakistan have inked an agreement for manufacturing of life saving health care products I.V. Infusion Solutions on Thursday. Dr Khalid J Chowdhry, Chairman of Medipak Group of Companies and Mr. Fangxi Liu, Vice President Hunan China Sun Pharmaceutical Machinery Co. Ltd. signed the landmark agreement on behalf of their respective sides. Under the agreement, Hunan China Sun will set up a state-of-the-art cGMP compliant facility on turnkey basis for the manufacturing of Intravenous (I.V.) Infusion Solutions for Medipak Limited. Dr Chowdhry said that Medipak is the pioneer in manufacturing of I.V. Infusion Solutions in Pakistan, with the know how transfer and technical collaboration of Fresenius A.G (Germany). I.V. Infusion Solutions are a life saving product and approximately 150 million units are manufactured annually to meet local demand, he added.