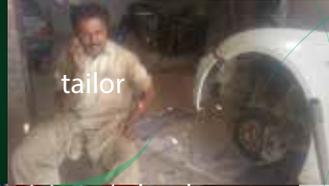


# DAHARKI LIVELIHOOD CREATION PROGRAMME

Potential Possibilities for  
Enterprise Creation



tailor



electricians / plumber



carpenter

mechanic



fruit vendor



vegetable vendor



chicken / meat shop (butcher)

cobblers



small clothing shops

mobile vendors

pan shops



flower shops

dry cleaners

lock makers

grill / glass works



chai dhabbas (tea houses)

milk shops

A photograph showing the interior of an office. A man is sitting at a desk covered with papers and a green mat. In the background, a red car is parked inside a showroom. A sign for 'Luxury Chan' is visible on the wall.

Office of Dua Auto Showroom, Mr. Irshad Ali Owner

A photograph showing the interior of a workshop. Two men are sitting on a wooden bench. In the background, there is a large white machine, possibly a washing machine or a dryer, with a 'NIDELLY' logo.

View of Dua Auto Showroom

A photograph showing a man in a white shirt standing next to a large white machine, possibly a washing machine or a dryer, in a workshop. He is holding a tool or a part of the machine.

During research at Ghota Repairing Workshop

A photograph showing a man in a grey shirt sitting at a desk in a workshop. He is looking towards the camera.

Mr. Abdul Sami, Owner & Mechanic at Workshop

A photograph showing the exterior of a building. A sign is visible on the wall with the text 'اقصى ميرواى اسپتال - ميرواى هوم' and 'GHR' logo. Below the sign, there is a logo for 'WEBER WEBER GERMANY' and some text in Urdu.

Mr. Mehmood Asad, MD Aqsa Hospitals and Maternity Home

A photograph showing the exterior of a building. A man in a white shirt is standing in front of the building. The building has orange and green accents.

Outer View of Hospital

A photograph showing a man in a purple shirt sitting at a desk in a shop. The shop is filled with various items, including boxes and a motorcycle.

Mr. Ali Sher, Bhattai Autos & Spare Parts

A photograph showing a man in a white shirt standing in a dairy farm. There are several cows and a water trough in the background.

Mr. Zulifqar Pathan, at his dairy farm



## INTRODUCTION

In order to create alternate sources of employment and help other industries grow in the district, the Daharki Livelihood Creation Programme was initiated. This programme was developed to understand the business landscape, as well as to approach, shortlist and select various small businesses from diverse industries, in addition to Engro Fertiliser's vendors, that may have expansion requirements and growth potential.

We would like to acknowledge the support of Engro Foundation towards the execution of this project and for providing us with the resources required in conducting this research.

## Current Scenario

Daharki is situated in Ghotki District in Sindh Province, and is situated 100 km from Sukkur between Mirpur Mathelo and Ubaro. It is considered to be a business centre where a number of different industries flourish. The primary industries that operate in the area are cotton, fertiliser, and gas exploration.

There are a number of vendors operating in small industries in the area that contribute significantly to the area's economic landscape, and if provided with relevant financial assistance, they can expand, scale up and develop the capacity to hire more manpower, resultantly creating more employment opportunities in the region. Some of these local vendors and sub-vendors are contributing to the value chain of large industries in Daharki, while some are producing products and delivering services that are in high demand by local population, and employees of these large organisations.

## Challenges

- The current challenge amidst this landscape is that even though local manpower is absorbed by the industries operating within the area, opportunities are limited, and saturation is an inevitable outcome.
- There seems to be a lack of a different approach which is important for economic prosperity of the region, one that takes into account the other potential sources of employment generation.
- In order to identify the other sources of employment, a comprehensive picture of the region's business landscape was required.

A research study was initiated primarily to identify the different kinds of businesses that exist in Daharki and shortlist available opportunities for investment which would lead to the business expansion and growth of employment and different industries.

## Project Objectives:

Our project objectives were as follows:

- To gain an understanding of the business landscape and identify industries that showed growth potential, and had room for business expansion and employment creation.
- To shortlist potential businesses that were viable opportunities for investment

## METHODOLOGY

### Forms and Profiles

In order to fulfil the aforementioned research objectives, two forms were designed and used to collect information about the vendors and their business aspirations.

The first template was used to record and collect data on different businesses that were operating in Daharki; this form was designed to gather information regarding common industry practices and trends, and findings were to be used to develop the profile and performance of a particular industry segment operating in the area.

The second form was a business plan template which was to evaluate individual businesses in further depth, and understand the rationale behind their requirement for a certain amount of investment. This was an abridged version of the business plan template and was simplified as the interviewees were not very organised in terms of documenting their operations and practices. It was also observed that the target group had an informal setup as far as maintenance of financial records was concerned, they did not have audited financial statements to share moreover and as expected, most of them were not comfortable sharing that information. The maximum they were willing to reveal regarding business performance was customer visits/day and average monthly revenue.

### Landscape Study

Tools/Medium	Description
Focused Group Discussions (FGDS)	Focused Group Discussions were carried out with entrepreneurs who gathered from different industries belonging to the business community in Daharki. Business challenges and required resources were discussed.
One on One Interviews	This medium was used to collect information, and fill the questionnaires. The sample size was 250. The researchers visited the market and randomly selected different entrepreneurs to collect information that would help develop and understanding of the most profitable and labor intensive industries, their challenges, and their expansion aspirations.
Business plan templates/questioners	There was no specific criterion for approaching a vendor in any industry. Openness to respond was however taken as a factor that helped our researchers identify potential respondents for the one on one interviews.

## Field Research and Data compilation

Field research was carried out by the onground SEED team. Out of a sample size of 250 respondents, 190 business owners were willing to provide basic business information, and the data that they provided was filled, in the business profile forms. The collated data helped to provide us with a perspective on industry performance and its challenges.

The remaining 60 respondents were the ones who were willing to share additional and complete information and aspirations about their business. They were provided with the business plan template which was duly filled in by field researcher after conducting an interview with these business owners.

The sample population also included small business owners and contractors/vendors who were part of Engro Fertiliser's vendor panel. Vendor interviews of listed vendors (provided by Engro Fertiliser) were carried out primarily to understand their business capacity, strategy, approach and room for growth.

Findings of this research helped provide a profile of small potential businesses, and specific Engro Fertiliser vendors and small enterprises that would benefit from funding from Engro Foundation or anyother local investor, on the basis of the performance of the industry they operate in and their business vision and activity.



## GENERAL OBSERVATIONS

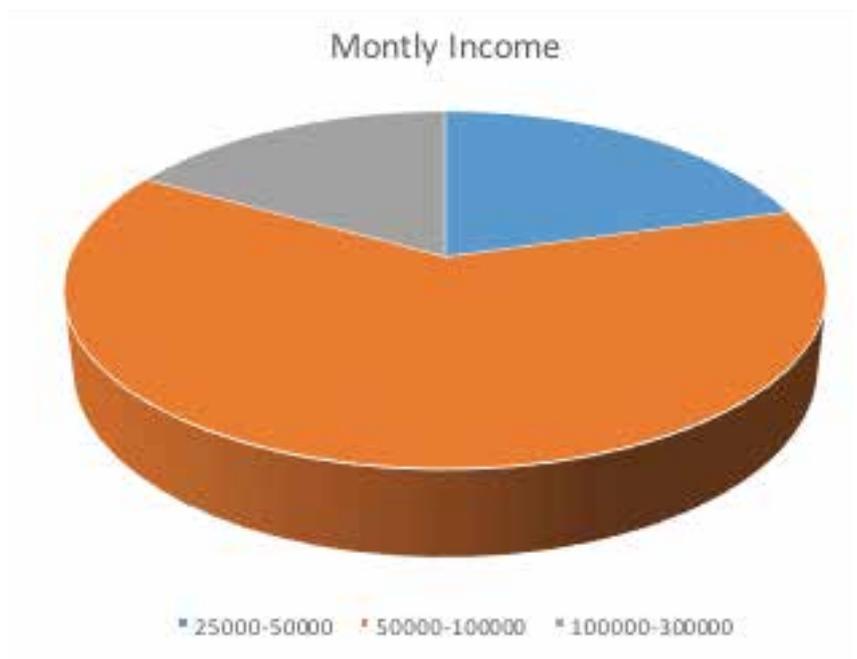
The following was the percentage division of the various vendors interviewed from the large and small scale prominent industries in Daharki. Most of the vendors interviewed belonged to the four most prominent group of Industries that is, Garments 17%, Construction 17%, Auto 14% and Electronics 12%. However a good 11% of the vendors belonged to the Fish and Poultry Farms Industries.

### Industries



- Most of the respondents had been carrying out businesses in their respective industries for an average of 10 years and above. A few vendors particularly from the garments sector were had been in the businesses for above 20 years.
- 80% of the vendors interviewed held sole proprietorship of their respective businesses. While the rest had started their business in partnership. There were also a few respondents who family owned businesses.
- Vendors were reluctant to provide business data with respect to Finance, HR, Marketing and Operational practices of their business. Only 31 out of 180 respondents were able to provide a definite marketing budget for their business operations which depending on the industries they belonged to, range between Rs.10,000 and Rs.100,000. It was also observed that the Garment Industry had the most budget for marketing.
- While some of the interviewees were reluctant to give a definite answer as to what their monthly income was. largest of the vendors were

able to provide information in this regard. Amongst the 160 respondents, 100 had a monthly income between Rs. 50,000 and Rs.100,000 (63%), 33 had an income between Rs. 25000 and Rs. 50,000 (21%) while the remaining had a higher income between 100,000 and Rs. 300,000 (17%)- These high income vendors belonged to construction, food, electronics, education, poultry and garments industries.



- 50% of the vendors interviewed had no bank accounts and were saving their money at home. The remaining 50% of the vendors were using personal bank accounts instead of an account in the name of their business. Very few of the vendors were willing to provide their average account balance to give a better picture of their financial position.
- 90% of the vendors interviewed had never applied for a loan from a bank before; 90% of the respondents refused any future possibilities of receiving a bank loan because of the financial risks involved and the interest rates.
- Most of the vendors had already invested between 0.1 and 0.6M in PKR. Two particular businesses belonging both from automotive industry agreed to having invested above 2.5M. 90% of the respondents were positive and enthusiastic about expanding their businesses with financial investment of 1.5 to 2.5M PKR.
- Almost all of the vendors agreed to have more employment opportunities once their business expands. 90% of the vendors wanted to double their number of employees. Two respondents belonging from the Construction Industry wanted to increase their employee capacity from 20 to 70.
- Most of the vendors reacted enthusiastically to the prospects that they might be receiving financial support from Engro Foundation if their business plans and profiles were considered to be viable, and if their businesses presented a capacity for enhanced employment generation. Post interviews most of the vendors contacted the researchers inquiring about response in relation to support from Engro Foundation or any other investor.
- Most of the businessmen have an informal approach towards their business; therefore it took a lot of time and effort for the researchers to extract relevant information, and also to help the business owners understand the components of the Business Plan.

- Most of the vendors were not in the habits of organising their financial information and did not have Balance Sheets or Income Statements available in a proper format for review.
- Majority of the vendors did not wish to provide information required in the business plan, they therefore opted only to answer basic business related questions in the business profile form.
- Our selection of viable businesses was limited to only those vendors who completed the business profile form and also provided all the required information which was needed for the Business Plan.



## INDUSTRY ANALYSIS

### Selection Criteria

Based on the research we selected businesses that provided complete information, and belonged to well performing industries which according to vendor feedback had room for business development and further employment generation. To further break down our criteria, we shortlisted vendors who:

- Belonged to reasonably well performing industry which has the potential to contribute effectively to Engro's value chain (for any of its subsidiaries primarily Engro Fertiliser and/or Engro Foods)
- Belonged to other tertiary industries that served mass demand of the local population
- Had the potential to create employment (employ at least 5 to 10 more people) in a short period of time i.e. 1 year
- Showed openness to respond and had a clear idea about business operations, aspirations, business performance and competitors,

### Business Landscape Snapshot:

Most profitable industries in order :

1. Construction Industry
2. Auto Industry
3. Garments Segment
4. Electronics industry

According to the field research, a number of diverse small industries were revealed during the process. These industries have been operating in parallel to the larger industry players in Daharki. The most profitable industry in the area is the Construction Industry. The second most profitable and labour intensive industry with about 700 business units is the Auto Industry. The Garments segment is also a prolific sector where a number of stitching units (tailors) and retail outlets are operating profitably. The Electronics industry shows promise, and electrician services are in high demand in the region, where the larger industry players are primary customers.

Industry	Current Employment in the industry	Potential Growth in the industry after Engro Funding
Construction	87 current employees in the selected industry	Potential growth of employees upto 120 after investment in the selected industry
Auto Works	19 current employees in the industry	Potential growth upto 31 in employment after Engro funding.
Electric/Electronics	27 current employees in the industry	Potential growth upto 65 in employment after investing in the selected industry
Garments/Tailoring	16 current employees in the selected businesses in the industry	Potential growth upto 10 in employment after Engro funding in 1 year span.

## CONSTRUCTION INDUSTRY

The Construction industry in Daharki is a growing, booming industry in Daharki and is a profitable sector. The real estate business shows healthy signs of growth, considering that Daharki is an industrial zone, and thousands of people that work in the area require a place to stay. This is why colony and residential projects are thriving.

The customer base constitutes of large industrial customers like Engro Fertilisers, and Fauji Fertiliser. In addition, residential construction is also a service that is regularly offered and delivered by vendors in this industry. One does not find partnerships in this segment, and most vendors have established sole proprietorships. The average monthly income of 50% of the vendors interviewed ranged from Rs. 50,000 to Rs. 100,000, and the remaining were earning between Rs. 100,000 to Rs. 200,000. The average number of people employed by a single unit is between 10 to 20 people. Most of the businesses in the industry that have been reviewed have been in existence since the last 13 years.

The different kinds of businesses that exist within the construction industry in Daharki are of the following nature:

1. Painting, civil, and non-civil works
2. Welding workshops (used primarily in industrial construction and repairs)
3. Supplier of construction and design raw materials i.e. tiles and marbles

Financing business through loans is not a common practice in this sector, and they are mostly averse to borrowing from banks, particularly because banks charge high interest rates and require collateral. All the vendors interviewed were positive about expanding their business, with the help of investment so that they could attract more customers, purchase raw material and expand their manufacturing plant. 50% of the vendors were financially included, whereas the remaining saved money at home.

Some of the main challenges that exist in this sector according to the vendors were a lack of requisite knowledge to innovate and scale up; also there is a lack of relevant human resource with the required skill set in this industry. Basic infrastructural facilities, equipment, raw material, and machinery are also not easily available. In order to scale up and expand properly, most of the vendors mentioned that they required more projects and contracts, transport facilities to move materials from one place to another, qualified staff, and technical labour.

## SELECTED BUSINESSES

### Ali Hassan & Co

Ali Hassan owns and runs an establishment Ali Hassan and Co. This is a sole proprietorship and has a registered NTN. The business provides painting, civil and non-civil, electrical services, and block manufacturing. The target market for this enterprise includes large industry players Engro Powergen, Fauji Fertilisers, Engro Fertilizer and TNB and Moor Petroleum. They are hired on contract basis for large scale projects or for specific medium sized jobs by their customers. Ali Hassan and Co work on contractual basis on larger projects.

He has been in the industry for more than 20 years, and has a current workforce of 20 employees which constitute 10 permanent and 10 temporary workers. From his own resources he has invested up to Rs 1.0 million in the business until now. The average monthly revenue of this business is Rs. 100,000 to Rs. 200,000.

According to his banking records, he is maintaining an average balance of Rs. 1.5 million in his account. Reports from customers regarding his business performance are favourable, where he successfully carried out and completed his contracts and projects. The quality of skilled labor that he has employed gives him the strategic edge in the industry. The other players in the industry are operating similar projects, but they have a stronger competitive advantage since they have a larger skilled workforce and better equipment.

He requires a further investment of Rs 2 million to 3 million to purchase raw material for block construction, a pick up van for transport, tools, and a mixture machine. Once he scales up his operational capacity, he envisions that with further investment he will be able to grow his workforce from 20 people to approximately 70 people within a span of 1 year.

### Madina Welding Workshop

This is a sole proprietorship, owned and operated by Mir Hassan. He is 27 years of age and has completed his Intermediate. He has been in the industry for the last 13 years which primarily means that he started off at a very young age. The average revenue that his business earns on a monthly basis is Rs. 25,000 to Rs 50,000, which translates into an annual turnover of approximately Rs 600,000. The business is running profitably, where the owner saves about 40 to 50% of the profit and reinvests for the advance purchasing of raw material which is steel and pipes. The cost of goods and services that are being offered to customers depends on the weight of the iron, and the going market price of iron/kg which is approximately Rs 100 to Rs 120. This enterprise provides welding services to households and construction companies located in Daharki. In addition, it also provides these services to larger players like Engro Fertiliser, and Fauji Fertiliser. Currently the business employs 5 people.

The current marketing methods that he is using are outdoor advertising through panaflex; in addition, he also distributes his visiting cards to people to help spread awareness about his enterprise. It is a low cost choice and only involves printing, making it a feasible choice.

He does have a bank account, and saves his money at home. He has not borrowed any money from the bank or any other sources as yet to grow his business because he feels that it is difficult to repay debts and loan, and that this can severely affect the cash cycle. On his own, Mir Hassan has invested up to Rs 0.4 million into his business. He does have expansion plans which include:

- Becoming a larger contractor for large industry players,
- Purchasing a pressing machine which is a tool that changes the shape of a work piece by the application of pressure,
- And wholesale supplier of windows, doors, shutters, frames, and door frames. For this purpose he requires a minimum investment of Rs 1 million to Rs. 1.5 million. Not only will he be able to scale up in terms of services and products, but he will also be able to employ 10 more people into his enterprise.

The prices of services in this segment are more or less similar across the board, and the owner strongly feels that the other enterprises operating in this sector have a stronger edge considering that they have better and more raw material and qualified labour. However, none of the competitors have a pressing machine; therefore, jobs of such nature are outsourced by larger players to enterprises outside of Daharki. Therefore, acquiring a pressing machine will help to provide Mir Hassan with a competitive advantage.

## **Asma Builders**

Asma Builders is operated by Muhammad Irfan, and is a family owned business, which has been in existence since the last 23 years. The owners have invested approximately Rs 50 million in the business since its inception. Currently, the business is running a township, and has a formal office operated by a managerial staff. The current workforce hired by this business is 62 people, where 12 are part of the managerial staff and the remaining are working as labor. The business provides real estate, plotting and township services, and also provides design outlook for factories. It is currently providing its services to builders and construction contractors, households from the upper income segment, schools, companies, shopping centers, and sugar, oil and cotton mills. Muhammad Irfan is running this business with his father, Muhammad Arshad Chauhan who has extensive experience in the industry, and started this business with his personal investment. Muhammad Irfan has Bachelors in Commerce, and has learnt significantly under the mentorship of his father about this business. As a business, they envision to emerge as a potential vendor with enough capacity to bid for orders for larger companies in the real estate and construction. In addition, they want to become an established supplier of marble and tile. At the moment they are procuring tiles from Sadiqabad and Rahim Yar Khan, and in order to become supplier in Daharki, they wish to set up an automated tile plant in Daharki. One big advantage of this outlet is that it will be the first of its kind in the district. Considering that construction industry is at its peak, this will add value to the existing industry.

11,700 sq. feet of space has been purchased for the tile factory, and the outlook is ready for manufacturing purposes. Rs 5 million to Rs. 8 million are required to set up this plant. 50% of the funds will be utilized to procure machinery and 50% of the funds will be utilized for procuring raw material and stock. Business expansion will lead to the business hiring 50 more skilled workers at the newly opened factory. In addition to these workers, the business will also require qualified engineers to design and run large scale construction projects.

The enterprise is marketing its services through print media which includes promotional material and brochures, pamphlets, banner and panaflexes. In addition to print media they are also advertising in local cable channels. These methods are being used by the owners because they help to build a lasting impression amongst prospective clientele and help to build familiarity with the brand.

## Auto Works

The Auto Industry in Daharki is one of the largest industries in the area. It is composed of small vendors that sell used vehicles, modified and used bikes; in addition they also sell spare parts for vehicles and motor bikes. Their customer base comprises mostly of the work force employed by the large industry in the region that require bikes and are looking for adequate modes of transportation. Their customer base also includes locals that reside in Daharki. Majority of these small vendors are running sole proprietorships, and have been present for an average period of 15 years in the industry. Most of the owners have sound experience of around 13 years in this field. The segments that exist within this larger industry are as follows:



- a. Auto sales/dealership,
- b. Auto exchange business that Dealing buying and selling motor bikes;
- c. Tractor buying and selling;
- d. Vehicles buying and selling;
- e. Auto services/repair, puncture etc.
- f. Wheel alignment and mechanical services;
- g. Spare parts and decoration;

These businesses earn an average of Rs 50,000 to Rs 100,000 on a monthly basis, and have an approximate annual turnover of Rs 1.2 to 1.3 million. Most of the vendors have the capacity to employ 4 to 5 people, and can hire more provided that they expand. Most of the vendors operating in this sector were running their businesses profitably. So far, most of them had expanded without taking any loans. However, since industry demand and prospects looked good, they wanted to expand their businesses via external funding i.e. potential investors. The primary reasons most of them stated for expansion were purchasing new equipment and bringing versatility to their business consequently attracting more customers and growing their businesses. They were open to borrowing from private investors, and averse to the very thought of taking bank loans, primarily because of the interest rates and the challenging formalities that needed to be fulfilled in order to become eligible for a loan. Approximately 50% of the vendors did not have a bank account and hence makes them part of the unbanked population. Considering that they did not have a bank account, the only saving mechanism these vendors used was saving money (cash) at home.

The major challenges faced by vendors in this industry were that they were mostly working out of shared spaces in collaboration with other vendors and hence were short of space to operate or store their stocks. They also required new equipment, machinery and spare parts, but were short of funds, investment and capital and hence unable to scale up. Power outages and shortage of water is another fundamental reason for the lack of smooth of business operations.

## Yasir Auto Exchange

This particular enterprise is owned by Abdul Qadir Bhutto. It is a sole proprietorship and is in the business of sale and purchase of motor bikes. New motorbikes are purchased in bulk from Karachi and Lahore and then stocked at the showroom for sale, in addition to this the enterprise also purchases used bikes from its regular customers and exchanges or upgrades it to a new motor bike. On average customers purchase new bikes, or exchange old models for a new one at least once a year. They are able to do so by offering customers the option to purchase a bike (new or used) on credit, and offer easy installment plans. A Chinese bike is available for Rs 44, 000, and a motorbike manufactured by Honda is available for Rs 63,000

The current target market for this venture are people from Daharki city, and its surrounding areas. This target market constitutes students, small business men, employed people, teachers and government employees are some of the major customer groups of this venture. The motorbike selling and exchange industry is growing, and there are a number of transactions that take place on a daily basis in this industry in the areas.

The business has been in existence since 20 years, and has average monthly revenue of Rs 50,000 to Rs 100,000. About 30% to 40% of the profit is reinvested back in to the business for the purchase of old bikes which can be refurbished and sold to regular customers. The owner has invested more than Rs 1 million to date in this venture, and has not opted for any external source of financing to grow his business. Bank borrowing was not an option he considered to be viable due to the high cost of financing. The proprietor is operating a bank account in his own name, and uses it for transactions and saving purposes.

The current labour intensity of the business inclusive of the proprietor is 7 people. HR, Finance, Marketing and Operations have been delegated to Abdul Majid Bhutto and Mushtaq Ahmed; both having an educational background in engineering. Although they have been delegated these functions, the owner supervises, and provides guidance and insight for business development.

The owner wants to expand his business and purchase a larger stock of motorbikes for sale and resale. He approximately requires Rs 1.2 Million in order to purchase additional stock. In addition to purchasing new stock, he will also use the money to expand the list of brands he is currently selling, stock high quality spare parts, and change the location of his showroom, and move it to a less congested area. Currently visiting cards are distributed, and banners are placed to create brand awareness, the owner will then also have calendars printed and distributed to his regular and new customers, this he feels is a long lasting method which ensures that the customer remembers the brand. He also wants to have enough resources to be able to offer refreshments to his best customers when they visit his showroom.

He will also employ investment in installing a better security mechanism to protect his showroom and stock. If he receives the investment that he is looking for he will be able to grow his workforce from 7 people to 16 people within one year.

## **Hazrat Usman Marwandi Motor Showroom**

This is a sole proprietorship owned and operated by Gul Mouhammad. The business is involved in the purchase and sale of new and used motor bikes since the last 5 years from different agencies. It has been running profitably since then, and earns an average monthly revenue of Rs 50,000 to Rs 100,000. About 60% to 70% of the profit earned is utilised to purchase new bikes from different companies, which are mostly located outside of Daharki.

The target market constitutes customers from Mirpur Mathelo, main Daharki city, Jarwar and surrounding semi-rural areas. Most of the customers are students, employed people, teachers, government employees, private company employees, and managers hired by landlords in the area. Owing to the customer profile, the owner has made bikes available for sale on credit via low mark-up installments.

The owner has personal stakes of Rs 1 million in the business which have been invested gradually at different intervals during the 5 years of business operations. Like most vendors in this industry, Gul Muhammad is averse to the idea of bank borrowing since he feels it will be very risky in case business performance fluctuates and he is unable to pay the loan. The owner is not particularly comfortable dealing with banks, and has hence not opened a bank account as yet. He is comfortable saving money at home.

This particular industry segment has good potential for growth as demand for motorbikes is growing. In view of these developments, the owner requires financial assistance to expand operations and improve his stocks. At the moment the stock of motorbikes he has at hand are limited, with additional funds he will be able to increase the volume of his stock, and hire more temporary labour who will act as sales personnel for his venture, and will be paid a commission on every bike (new or old) that they sell. The current labour intensity of the business is 7 employees; if he receives an investment of Rs. 1 million, he will be able to meet all the aforementioned business objectives and increase the size of his workforce (permanent and employed) from 7 people to 10 people. In addition to the marketing methods he is currently using i.e. visiting cards, and banners, he wants to invest money in distribution of other marketing collateral like calendars, and work on developing strong, one-to-one relationships with his customers.

## **Amjad Autos Exchange**

Abdul Khalique Malik is the owner of Amjad Auto Exchange, which is a sole proprietorship. He has been running this establishment for more than 13 years. The business deals in the sale and purchase of new and old motorbikes from their display showroom. These motorbikes are purchased from different companies in bulk and then made available for sale through different exchange, installment and credit schemes to customers.

The target market for this venture is composed of mostly individual customers. The customers are farmers or small agriculturists, government servants, and students. Another interesting set of customers are individuals who purchase these motorbikes and convert them into milk transportation vehicles, or rickshaws.

The motorbike industry is booming and shows significant promise for growth and profitability. A number of players in the industry are offering various purchase and exchange schemes which are making it easier for customers from different segments purchase a motorbike. According to the owner at least 25 vendors are operating within this segment, and there is more room for additional vendors in the industry. During the crop harvesting seasons, cash sales shoot up as most of the individuals associated with the agricultural industry have enough cash at hand to procure a bike on full cash payment. Customers can purchase bikes on installments at nominal mark up on average there are about 20 to 30 daily visits by customers to the showrooms.

The owner acquire his knowledge base through experience and has made use of the customer feedback that he has received post sale of a motorbike. He also keeps a close watch on the monthly sales ratio to see how the business is performing and what areas of improvement are present in the business. The current methods of marketing that he uses are distribution of promotional stickers bearing brand name, handing out pamphlets, and placing banners.

The business is earning an average monthly revenue of Rs 50,000 to Rs 100,000 which is what most of the vendors in this industry are earning. The business is operating profitably, and even though profit margins are not fixed, after meeting routine expenditure the owner reinvests in the business to build a healthy stock of motor bikes. One challenge that he faces in this industry is that he has to struggle a lot to recover money from certain customer, and this negatively impacts his cash cycle at times

The owner has not considered taking a bank loan for business expansion because of the high cost of financing and the risk involved in case of non-repayment. He has however invested Rs 2.5 million in setting up a showroom and purchasing stock, and mentions that he was able to arrange for these finances after winning a lottery in a local lucky draw scheme.

The owner envisions becoming an auto agency dealer in the area, and wants to supply motor bikes to other retailers at wholesale prices. His plan is to buy the agency dealership of either Crown or Unique, or a Chinese bikes franchise and buy stock of motorbikes in bulk and sell that stock with the help of various schemes and offers. To materialize this vision, the owner requires Rs 2.5 Million. This investment will help him scale up, and make use of better marketing methods such as social media marketing and running advertisements on local cable television channels in order to reach out and attract a larger customer base. The owner wants to create some social impact through his business and wants to sell bikes to customers from the underprivileged section of society through easy installment plans so that they can use these bikes to start their own transportation business (rickshaws). His current workforce constitutes 5 people; once he opens his own dealership he will be able to hire 5 additional people to help him run the business.

## Electronics

This industry constitutes of vendors who deal in repairing ACs and refrigerators, provide and sell spare parts. They also sell used electronic appliances, and provide electrician and maintenance services. The customer base for this segment includes schools, companies and households. Most of the businesses in this segment are sole proprietorships, where the average monthly income is Rs. 25,000 to Rs. 50,000.

There is substantial growth in the industry, and for most vendors getting regular maintenance orders are good enough to keep them in business, and these maintenance orders are also growing. As far as AC repair services are concerned, the demand is cyclical i.e. during the summers. With the construction industry being at its peak in the district, there is an increased demand for electrical fittings and associated services required by the builders. This scenario will result in more maintenance and repair service orders in the future for vendors in the electronic industry segment.

These small businesses are capable of employing 7 to 8 people at a time. The business time period ranged between 4 to 14 years, while the average experience of entrepreneurs in this industry was 7 years. It is somewhat of a seasonal industry considering that a lot of orders are received in the summer for Air Conditioning repair – it can be concluded that business is high and profitable during the summer, particularly for vendors providing AC repair services.

Most of the vendors have never taken a loan for expending their business, and have been operating profitably without it, however, most of them showed great interest with respect to business expansion. Most of them procure their stock from Karachi and Lahore, because material is not available in Daharki. These vendors require investment to develop their stock (i.e. also purchase state of the art items which can be used during provision of electrical services), and formalize their business processes. They perceive that with extra investment taken from an investor, they will be able to procure more material and equipment which can be used to provide efficient services and resultantly will be able to attract more customers, and bring growth and versatility to their business.

75% of the interviewees owned an active bank account and were availing retail banking services. The vendors who did not have a bank account were mostly saving their money at home. Some of the main challenges that were identified in this industry were the need for independent setup by most of the vendors, and the requirement for equipment, machinery and spare parts. Most of them also required a generator because an inconsistent supply of power halted seamless business operations. Funds and investment were required by these vendors to grow their teams and hire people with technical skills.

## Sky UPS

Ram Kukreja is the owner and proprietor of Sky UPS. The enterprise is currently providing UPS assembly, development, repair and maintenance services at a workshop. The business is serving households, companies, banks, shopkeepers, and educational institutions in the area.

The enterprise has been in operations since the last 8 years and is the proprietor's singular source of income. The business on average earns monthly revenue of Rs 50,000 to Rs 100,000 meaning that the annual turnover is approximately between Rs 600,000 to Rs 1.2 million. The business according to the proprietor is profitable and after meeting household expenses, he invests 40% of the profit earned back into the business, primarily for the purchase of parts and stocks required for business. He has not taken any loans either from the bank or any other sources to run his business, and has since its inception invested 1.5 million from his personal savings and resources over a period of 8 years. The reason he avoided taking debt until now is because banks charge a high rate of interest, He is highly aware of non-payment that is associated with acquiring credit whether he borrows from a bank or from friends, in either case the risk of non-payment remains in case of business failure – a scenario he is highly averse to. Equity sharing seems more viable to him, considering that the investor is not just interested in repayment; he/she is interested in growth as well.

The major challenges that he faces as an entrepreneur, and ones that obstruct his path to scaling up are a lack of funds, informal business practices observed in this particular industry segment, the lack of a personally owned workspace, power failures, lack of skilled technicians, and the inability to purchase state-of-the-art stock/equipment due to financial constraints. The business currently employs 4 people, and the proprietor now wants to expand. Considering that Daharki on the whole as a city sufferer from power issues, as a consequence the UPS industry is growing. In order to take advantage of the growing demand that exists in the market, Ram Kukreja requires an investment of Rs 1.5 million to Rs 2.0 million to establish a new workshop for UPS production and assembly. At the moment he is working from a rented facility. He also requires the money to purchase a generator so that he can have an alternative to electricity in case of power failure and to procure better stock and machinery which can help him deliver better services to his customers. He intends to purchase a digital voltmeter, a voltmeter stand, soldering iron, grinders, heat gun, and spanners. He will also hire more skilled labour from the industry, and envisions that once he finds the investment his business will be able to hire approximately 20 more people in the span of 1 year.

His three-year growth plan is to increase his capacity and business aptitude to the extent where he is able to become the largest UPS service provision enterprise in the district, and serving small, medium and large players. His current method of marketing includes distribution of visiting cards, and placement of banners. He has chosen these methods and will continue to use them because he feels that they are not very costly and result oriented. In case the business fails, he will repay his investor by selling the workshop and his equipment.

## Good luck Refrigeration

Good luck Refrigeration is a sole proprietorship owned and operated by Niaz Ahmed, who has been running this establishment since the last 10 years. This enterprise provides AC (car and home) repair, refrigeration, split ac maintenance, water dispenser maintenance and repair, and car denting painting services to large industry players like FFC, Engro Fertiliser, MPCLTNB, KIPS on contractual basis, households who are the regular customers, educational institutions, and banks. The enterprise is a vendor for engo and provides AC installation services to the organisation. On an average, the business earns Rs 25,000 to Rs 50,000 in a month. The business has been running profitably so far, and according to numbers maintained by the owner, the profit margin is around 60% to 70%. He reinvests 30% of this amount after taking care of household expenses, as advance payment to procure parts and gas. The owner has a proper functioning bank account, but has not taken any loans from the bank to grow his business. Like most of the other vendors in the industry, he feels that it will be both risky and very difficult to return the money. He has however, made a personal investment of Rs. 0.3 million from his own savings and resources during the operational life of the business.

Demand within the industry sector in which he is operating, fluctuates throughout the year. The customers for the business hail from different parts of the district, so there is demand all year round for services. As with all other businesses, this sector too is plagued by power failures which impede business performance. Niaz Ahmed operated from a shared location, and thus lack of space can cause a lot of problems for him. There are a number of competitors in this same sector and are providing services at home. The prices are variable and are set according to the nature of service, so it becomes hard to establish a set price for particular services, considering that price of parts also fluctuates. Financial constraints also create hurdles for him to purchase proper transportation vehicle, which can help in the timely and fast delivery of services to client. Due to a lack of funds, he has to procure spare parts on credit from the market from Sukkur and Sadiqabad, and this greatly affects his cash cycle.

Niaz Ahmed wants to expand his business to be able to serve large range of customers that he will be able to do so and he feels that he will be able to do once he has established a new workshop with modern facilities, and spare parts outlet next to this workshop. In addition, he also requires a proper transportation vehicle which can be used to carry air conditioners to and from the customer's office/houses. For this purpose, he requires an investment of Rs 2.0 million. Not only will these funds help him expand his physical infrastructure, but will also improve the capacity of his business to hire more people. From 10 people he envisions increasing his workforce to almost 20 people in a span of one year. Eventually he sees his business becoming the largest contractor of such services with the capacity to fulfil large scale orders from industry players in the region.

## ZS Electrical Company

Engineer Zubair Ahmed, has a Diploma in Associate Engineering (Electrical), and has 12 years of experience of working with electrical technology. He has been working as a contractor since 2012, specifically with Engro. He is the owner and proprietor of ZS Electrical Company, which is a sole proprietorship. The business is providing electrical services, along with electronic items and parts to large industry players, households, shops, and malls. Services include Patti fitting, underground fitting, repair and maintenance, installation of new electronic appliances, regular appliances repair and checks, AC, refrigerator, oven and fan services.

The business has developed good will and strong business relationships with owners of electric shops in the area, who provided them with leads and contacts for further business. In addition, company visiting cards and brochures are distributed for creating awareness about the business. The current labour intensity of the business is 7 including experienced and skilled electricians, and it is earning a monthly revenue falling between Rs 25,000 to Rs 50,000. He saves 20% of the profit and reinvests in the business as per requirement, as he has not really worked out a fixed percentage. From his own sources he has invested Rs 1.1 million over 12 years into his business. He has not taken any loan for his business from any one, and avoids taking loans from banks because he does not want to pay interest to them. The business has a proper bank account, and has applied for an NTN. Other than that all required company collateral i.e. letter head and invoice have also been developed.

A lack of modern instrument, and tools, electricity breakdown, lack of enough skilled electricians and inability to travel to far off areas for service delivery due to the lack of a transportation vehicles are factors that hinder the companies growth and the possibility of scaling up. A lack of funds is the root cause of all these challenges.

He requires Rs. 2.5 million to increase the capacity of his business, and become a well reputed electrical services and parts supplier. His plans of expansion include extending his work facilities into a full fledged, modernised workshop with a power backup. He also intends to purchase and install machinery; instruments and tools which will help him provide and deliver a better standard of service. A healthy stock of Electrical wiring cables and other electrical supplies is required to make services deliveries, promptly and effectively. At the moment he is purchasing supplies from other shops. For this reason, he also wants to build adequate stock. Other than that, a transport vehicle is very important, because he will then be able to travel to far off areas to deliver services, and proximity to customer will no longer be a problem. After expansion he sees the workforce strength increasing from 7 workers to 15 workers in a span of 1 year.

## KB Electric Repairing Works

This is a sole proprietorship, owned by Khuda Bux. The business has been operational in the last 10 years and is the owner's singular source of income. The business provides AC and Refrigerator repair and maintenance services. In addition, the business is also selling electronic items (boards, sockets, plugs), washing machines, and motor pumps. The target market and customers include households, FFC, Educational institutions, and banks.

The business is currently earning a monthly revenue of Rs 50,000 to Rs 100,000, and employs 6 people. Khuda Bux is carrying out all HR, Marketing and Finance related activities on his own and has not delegated these responsibilities to any of the workers. They are only carrying out service delivery and are skilled electricians.

The enterprise is running profitably, and the owner after deducting household expenditures and shop expenditure, reinvests or saves 50% of the profit for further purchasing. He has personally invested Rs. 0.5 million in the business, and has never taken any loans for personal use or for scaling up. The risk associated, interest rate and repayment difficulty when it comes to bank loans is what discourages him from taking a bank loan. At the moment he does not have an operational bank account, and saves his money in cash form at home. However, he is beginning to find this inconvenient and wants to open a bank account soon.



Maintaining good customer relationships, and delivering a reliable level of service is what provides this venture with a competitive advantage, in addition it has a greater experience as compared to other players in the industry. He has been carrying out marketing through distribution of visiting cards, and putting up of panaflex. These are, he feels, both result oriented and inexpensive marketing methods.

There is a demand for solar panels as a number of customers want to move towards renewable energy as a source of power. For this purpose, he wants to stock solar panels but is unable to do so because of financial constraints. He also wants to buy a bigger, better workspace, stock better items, and have some power backup in the case of load shedding. To resolve these challenges, Khuda Bux requires Rs 2.5 million in investment. He will use the money to expand his workshop, and whole sale solar panels, washing machines and other electronic items. He will also provide repair and maintenance services for AC, Refrigerator, water pumps and washing machines. As a result of expanding his business he will also be in a position to hire 10 more people in 1 year.

## Tailoring/Garment Industry

The Garment industry in Daharki is composed of different sub-segments which include tailoring, retailing and wholesaling. This is a thriving industry because there are a number of schools in the area which require a regular supply of uniforms; in addition, there are a number of large companies with colonies for workers. These workers not only require uniforms but their families need places where they can have apparel either stitched or purchased readymade.

Majority of the customers in the area (men, women and children) wear shalwar kameez and embroidered suits – hence the local manpower has specialised in this area and is providing these services and products to the local population. The barriers to entry are low in this business, and one finds a number of vendors that are operating in this sector. Profitability depends on keeping up to date with the fashion trend, and delivering well stitched apparel.

This industry is mostly Sole Proprietor based. Majority of the vendors are middle school educated with the reason of supporting their families or not enough fund available for education. The average monthly income of 50% of the vendors interviewed ranged from Rs. 25,000 to Rs. 50,000 and the remaining were earning between Rs. 50,000 to Rs. 100,000. Majority of the vendors only have one source of income to support themselves and their families. The average number of employees employed by a single unit is between 5 to 10 people. Most of the businesses in the industry that have been reviewed have been in existence since approximately 10 years. The different kinds of businesses that exist within the Tailoring/Garment industry in Daharki are of the following nature:

4. Garment Retailers (School uniforms, ready-made clothes)
5. Tailors (Stitching units)

Financing business through loans (banks or otherwise) is not a common practice in this sector. They are averse to borrowing from banks because of the interest rates and the risk of non-payment. Also banks require some sort of collateral when lending which the vendors cannot furnish. Majority of the vendors do not have bank accounts due to lack of interest in banking services and its complexities, and thus avoid banking transactions. They mostly save their money at home. The vendors however have a certain level of financial discipline and reinvest in their business after meeting their household expenditures. All the vendors that were interviewed were positive about expanding their business. With the help of investment they felt they could increase their production capacity, hire more people and resultantly attract and serve more customers. The increased financial stability would allow them to purchase raw material; expand their operations from a stitching outlet by becoming retailers and increasing skilled workforce.

The main challenges that exist in this industry according to the vendors were obstruction in seamless business operations due to load shedding, financial constraints leading to hiring unskilled workforce. Demand in this business is seasonal which thus causes the vendor to face difficulty in paying the shop rent for their shops. Basic infrastructural facilities, equipment, raw material, and machinery are also not easily available. In order to scale up and expand properly, most of the vendors mentioned that they required additional stocks of raw material for increased production, skilled labour, a sustainable supply of power via generator or solar panels, and self-owned shops to deter the requirement to pay rent for facilities.

## Decent Tailors

Asooda Ram owns and runs an establishment Decent Tailors. This is a family owned business which has an experience of more than 35 years in the field. The business provides stitching services to customers and stitches suits, casual dresses, school uniforms, company security guard uniforms, and fashionable clothing. The target market for this enterprise includes teenagers, young adults, local customers, company employees and institutions.

The owner has been in the industry for more than 35 years, and has a current workforce of 9 employees which constitute 7 skilled labourers that have at least a Matriculate qualification and 5-10 years of experience. The remaining 2 labourers are unskilled, and have at least middle school qualification with willingness to learn skills. The average monthly revenue of this business is Rs. 200,000 where the owner reinvests 20% of the profits back into the business.

According to the vendor, he has a personal bank account and does not maintain one in the name of his establishment. The quality of skill labour that he has employed gives him the strategic edge in the industry. The other players in the industry are operating similarly, but this vendor has a stronger competitive advantage since they have more than 35 years of experience in the industry. He requires a further investment to install small level factory (stitching), increase skilled labour, train unskilled labor in the field, establish energy source such as solar systems and to expand space for outlet and factory. Once he scales up his operational capacity, he envisions that with further investment he will be able to grow his workforce from 9 people to more than 10 skilled labour within a span of 1 year.

## Dawn Tailors

This is a sole proprietorship, owned and operated by Lalu Chand. He is 49 years of age and has completed his Intermediate. He has been in the industry for more than 25 years. The average revenue that his business earns on a monthly basis is Rs. 50,000 to Rs 100,000. The business is running profitably, where about 50% of the profit is saved for further plans.

This enterprise deals in, making uniforms, casual dresses, designed suits and embroidered suits. His target market consists of larger players like Engro Fertiliser, and Fauji Fertiliser, Households and Banks. Currently the business employs 7 permanent workers.

He does not have a bank account, and saves his money at home. He has not borrowed any money from the bank or any other sources as yet to grow his business because he feels that it is difficult to repay debts and loan, as the bank has a high interest rate and it is too risky and that this can severely affect the cash cycle. Uptil now, Lalu Chand has invested up to Rs 0.2 million into his business. He does have expansion plans which include:

- to be the best in the tailoring industry in the district,
- Stock raw sample material,
- Increase skilled labour

The prices of services in this segment are more or less similar across the board. However, most of the competitors have lack of experience and limited labour. Therefore, acquiring increased skilled labour workforce as well as a computerized designing machine will help to provide the enterprise with a competitive advantage.

## Other Industries

### Educational Institutions

Educational Institutions have also emerged as a profitable and labour intensive sector however we did not receive complete business plans from any vendor/owner in this segment. As per research, there are 17 franchise school systems and 108 privately owned institutes which include:

2. Private Schools (Primary & Middle);
3. High Schools;
4. Higher Secondary Schools;
5. Franchise/School systems;
6. Tuitions/Language Academies;

### New Sun English Model School

New Sun English Model School is situated in Rahmowali Ghotki. Mr.Zubair Ahmed, the owner and founder of the school has done his MA in English and has an educational experience of 25 years. The school has classes running from play group to middle school – Grade VII. Students from the entire district are studying in this school which has a strength of around 500 pupils. The school premises are situated within 10000 sq ft amounting Rs.10.5 M. The building comprises of 6 rooms which accommodates students from primary to middle school.

- Mr. Zubair claims that educational institutions are a growing and successful industry in the Daharki district. Therefore he plans to build infrastructure in the next three years to expand the business.
- He currently employees both men and women and there are a total of 9 employees. Administration, Finance, HR operations and Marketing are all under himself only.
- The school's goal is to provide quality education throughout and that has been the key to success in the past.
- The business operations are run with a 30% profit margin.
- Mr.Zubair plans to market his school by using branding mediums such as panaflexes and boards. which he believes will cost him between Rs 3000 to 8000.
- New Sun English Model School has a fee structure of Rs 8000 which is a competitive price when compared to the surrounding schools.

## Dare-e-Arqam School System

Dare-e-Arqam School system is located at the main National Highway of Daharki. It is run by Mr.Sajjad Hussain and Mr. Kaleemullah who are both MBA, MSC and BSC, BED, MED in Maths respectively. Mr.Sajjad has had an experience in the educational industry of 4 years. Mr. Kaleemullah has however been an educational Supervisor in the JST Government school since the past 26 years.

- The school employees 10 – 15 teaching staff and 5 – 8 administrative staff.
- The school motives include quality education, physical fitness and Islamic learning. They provide sports classes and have a boarding school and believe in activity based education. Their vision is to not just to provide quality education, but to also groom the children’s personality and inculcate a sense of responsibility, confidence and commitment towards the society.
- They have particular standards and requirements of appointing teaching staff and administrative staff. In fact they have employed support staff – drivers, watchmen, security guards etc with atleast a primary level of experience in the field.
- At the moment HR, Finance and marketing operations are managed by the owners them selves but they plan to hire more staff for these occupations.
- The school administration has observed that the education industry is greatly expanding in the Ghotki district and there have been more than 30 new school establishments in 2016.
- They also believe that franchise schools create a better target market and parents believe that the familiarity of the school standard provides them quality assurance when it comes to education.
- Meanwhile, business men and investors find this as a great opportunity to invest upon due to the expansion possibility, boarding school system and international standard schooling.
- The duo has done an ample amount of marketing research required to expand their school system and they plan to advertise and campaign their schools using print media such as brochures, pamphlets, prospectus, banners and panaflexes. They also want to market their school through television, FM and billboards.

## Agriculture Businesses

### Poultry, Dairy and Fish Farms

Agricultural businesses which included Poultry and Dairy farming, Mutton/Livestock/Fish farms, crop sowing and harvesting of sugar-cane, wheat, rice, cotton, vegetables and Fruits. Poultry and Fish Farms hold a good 11% of the industries surveyed in Daharki. 19 businesses were interviewed in this category. Most of the businesses interviewed belonged to sole owners, only a couple being based on partnerships with an average income between 50,000 and 100,000.



## Mahar Poultry Farm

Mr. Farooq Ali Mahar is the sole owner of this poultry farm in Daharki. The monthly revenue of the business is between Rs 50,000 and 100,000.

- He currently employs 10 people in his business and has an experience of more than 10 years in this prospect.
- His business is profitable but the profit is not fixed due to price fluctuation from time to time.
- His business is not his only source of income as his family is also involved in selling and purchasing of land and goats. He also owns and runs a fish farm.
- Business expansion plans include opening a new poultry farm in other parts of Daharki because of the benefit of land ownership of his family.
- Business expansion plans require between Rs.1.5 to 2 Million. He believes that this expansion would increase the number of employment opportunities (to breed more than 3000 chicken for the purpose of wholesale) at least 10 individuals will be required.
- Mr. Farooq refuses to obtain any loan from the bank due to the high interest rate and difficulty to repay and at the moment saves money at home.

## Mahar Fish Farm

Mr. Farooq Ali Mahar is the owner of Mahar Fish Farm which is situated in Mirpur Mathelo- Ghotki. His ten years of experience in fisheries allows him to run this successful business along with the above mentioned poultry business with the same name. He currently employs 5 skilled fishermen and plans to expand that to 10 in the coming year. The fish farm breeds and supplies fish district wide and the target market includes fishers, hotels and restaurants as well. Mr. Mahar believes that fish farming is a sustainable and profitable business.

- The current investment in the fish farm is around 1M and the required investment is of Rs 1.5M for expansion to 5 acres of land.
- He does not aim to market his business and only plans to expand it. He has currently not invested any amount in marketing and branding of the fish business.

## Malhan Dairy Farm

Malhan Dairy Farm is situated in Village Jhanpur Tehsil Ghotki and is run solely by Mohd Ibrahim Malhan. The average monthly income obtained by this business is between 50,000 and 100,000. He currently employs 5 people in his business. His thirty years of experience in this field allows him to run a successful venture which gains him above 30% in profit.

- Mr.Malhan reinvests in his business by purchasing raw material in advance with the profit obtained.
- He plans to expand the business by purchasing buffaloes and milking machines.
- He does not have a bank account and saves his money at home.
- The most challenges that the business has faced is due to the competitors, availability of raw materials and security.
- He is altogether invested a sum of Rs 1.3 M in his business- 9 buffaloes.
- Required investment for expansion is approximately 2 Million- which will be utilised in purchasing milking machines and buffaloes.

## Food, Hotels and Restaurants

Hotel and Restaurant Industry including Catering and wedding halls/lawns is also a profitable industry and is booming primarily because of Daharki's strategic location. Daharki is located at the junction of Sukkur and Ghotki, hence most of the heavy transporters stop by in the area for a pit stop. Owing to this reason, a number of small establishments have mushroomed in the region that serves meals 24 hours a day. There is not much demand for fast food in the local population or from customer passing by the area; therefore most of the hotel and restaurant industry is serving traditional dishes. Almost all of these enterprises are owned by Muslim entrepreneurs, even though majority of the business community are Hindus.

## New Allah Badshah Hotel

Mr Tanveer Hakros the sole owner of New Allah Badshah hotel which is situated in Mahesro road, Ghotki.He employs a total of 15 cooks waiters and sweepers the monthly revenue of above Rs. 200,000 he has been in the business more than 4 years and this business his only source of income.

- The profit percentage of this business is 40 percent but seasonal ups and downs are expected
- Expansion plans include extending space,opening a new unit of hotels and restaurants along with catering services he also plans to develop a parking space.
- Mr Tanveer does not plan to take a bank loan cause of the high interest rates and sufficient funding available.
- The challenges faced include load shedding, lack of space , lack of parking space lack of skilled labour and required systems for record keeping.
- Important resources required for business expansions include solar panels, generators, funds, space.

## AI- Hashim Nimco & Food Products

Mr. Muhammad Hashim Malik is the sole owner of Hashim Nimco and Food which is situated in Rahmowali Muhallah Ghotki. His monthly revenue is Rs. 200,000 and currently employs 14 individuals directly and 50 indirectly which include both men and women. Hashim has been in the business for 25 years and above and has played a vital role in expanding the business right from scratch. The business is his only source of income and claimed to be highly profitable even on its present scale.

- Business expansion plans include buying frying plants which cost around Rs 300,000. Purchasing a vehicle for delivery and sales costing Rs 750,000, packaging machine costing 200,000, generator Rs280,000.
- Mr. Hashim has currently invested Rs 3.5M to 4M in this prospect but requires an investment of 3M to expand his business operations.
- His experience in this field claims that the business is very profitable as the food industry is growing rapidly. Demands from customers is increasing along with the number of retailers and whole sellers.
- The business is therefore labour intensive and has potential for growth.

## Other Small/medium cottage industries/factories;

- a. Oil pressing units,
- b. Flour milling units,
- c. Rice Mills,
- d. Cotton Ginning factories,
- e. Ice factories,

**Mechanical Workshops** – This industry was composed of several vendors who were operating from workshops and providing repair and maintenance services for machinery for medium and large manufacturing industries.

**Carpentry/Furniture** – these small units are also serving the local population, In addition carpentry services are required by medium sized businesses and large industry players for furniture manufacturing. One reason why this is also a well performing industry is that Daharki is surrounded by agricultural land, and a few forests, therefore wood i.e. raw material is easily available. The product quality and skill level is high and manufactured furniture is not only sold within the region but is also supplied to retailers in other districts like Raheem Yar Khan and Sadiqabad.

## RECOMMENDATIONS

1. Apart from the larger industries such as gas, cotton, fertilizers, Daharki is also prominent in smaller industries which are wide spread but undoubtedly require attention in order to grow and raise their employment opportunities. This can be achieved by locally creating platforms such as exhibitions, seminars and expos, where these industries can showcase their products, interact with investors and other entrepreneurs. These platforms can act as a bridge between investors and entrepreneurs. Local bodies, and government officials should take charge in order to create such platforms and experiences for these industries to network.
2. One of the major challenges that these businesses have faced throughout their cycle is lack of skilled labour. It was realised that not much effort has been involved in order to develop the skills and abilities of working labour. Currently, skills have been passed on from one generation to another and there has not been any formal schooling in the prospect. Therefore it is only essential that skill training institutes are founded, which cater to the required number of skills within the industries of the region. This would not just develop the local talent pool of Daharki but would also provide employment opportunities to skilled masters who otherwise do not have any platforms of sharing their resources.
3. Established entrepreneurs in the area should collectively develop funds which could be used for smaller businesses. The corporate community could also contribute in this central funding unit which can then be utilised by these industries to expand.
4. Daharki is a hub of business opportunities but these industries are financially excluded. These businessmen have savings but do not have business bank accounts and hence no formal deposit and saving options. It is therefore recommended that banks should raise their interactions with these industries, so banking options are more accessible to them.

## CONCLUSION

Daharki report summarizes a list of industries that have potential of growth and business expansion. The above mentioned industries and their selective businesses have shown promising growth and can prove to be excellent arenas for investment in future. Industries such as of food and construction are growing rapidly and provide great employment opportunities for skilled labor and craftsmen.

These industries are highly profitable considering the available resources of the region. Fish and Poultry along with Dairy have also shown a high margin of profit, number of employees and expansion opportunities considering they are mostly owned by sole proprietor. These industries and businesses also provide opportunities for import and export of raw materials to finished products.

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