

# Indian academic offers solutions for Pakistani execs

Working with business school to introduce programme on family-run businesses

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The rules of business have changed completely, if we are to believe Parimal Merchant, an Indian academic who teaches at one of Karachi's premier business schools.

"Economic growth in the West is slow or stagnant, while the East is growing fast. Under the new rules, there is no space for complaints, so family-managed businesses in Pakistan and India have to change their mindsets if they want to grow at their true potential," Merchant said in conversation with *The Express Tribune*.

Pakistan's business families would do well to heed Merchant's words: his credentials include the directorship of the Center for Family Managed Businesses at the SP Jain Institute of Management and Research (SPJIMR), Mumbai.

"The world has changed and you should not expect the same profit margins you used to earn 10 years ago," Merchant

told *The Express Tribune*. "Do not complain about energy or security issues – you have to find out ways to deal with current economic problems."

Merchant – who is currently training Pakistani businessmen and women at the Institute of Business Administration (IBA), Karachi – says that Pakistani businesspersons need to stop complaining about issues because there is no business in world that does not face problems of some kind or another.

"Most Pakistani businesspersons think nothing can be changed in Pakistan. They are depressed for no reason, because they do not know that the problems they face are similar to what others face in Mumbai," says Merchant, who has already met and trained around 700 Pakistanis.

Merchant, who has visited Karachi five times in the last five months, is working on a unique project. SPJIMR and IBA – two prestigious business schools in India and Pakistan, respectively – are working on

a joint initiative that seeks to introduce a regular Masters in Business Administration (MBA) degree tailor-made for the scions of family-managed businesses in South Asia.

"One has to move with time; in the current scenario, you have to live with low probability and high expenditures. Those who have the courage and are ready to find solutions are growing phenomenally; not only in India, but also in Pakistan," he said.

"Many family-owned businesses in Pakistan have grown exceptionally well in the last decade. Pakistani companies should learn from these examples and stop complaining about energy and security issues," he reiterates.

Merchant believes that a specific academic programme that caters to this field is necessary for the new generation of executives. This will help them understand the specific issues of small businesses, he says, and how one can bridge the knowledge of their ancestors with

modern businesses trends.

"Pakistan needs to train the next generation of its entrepreneurs so that they can grow their own businesses. This will not only create more jobs in local companies, but also reduce the burden on job market."

This custom-made MBA program will be a concrete first step in bridging the wide gap that exists between what is taught in Pakistan's top business schools, and what owners of old family-run businesses practice. SPJIMR has been running a similar 18-month MBA programme for the last 15 years in India. Students studying for this degree spend only a week out of a month in school, and then go back to their hometowns for the remaining period of time to manage their businesses so that they can apply their newfound knowledge immediately.

## Opportunities are in the East

"Pakistan and India cannot attain sustainable economic



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Director of the Center for Family Managed Businesses at the SP Jain Institute of Management and Research  
**Parimal Merchant**

growth, unless their family-managed businesses, which make up over 90% of total businesses in these countries, start realising their inherent potential," says Merchant. "What Pakistani and Indian companies lack is confidence. They have everything that is required to grow globally: it is just a matter of what attitudes they have."

Speaking from his knowledge on Indian family-owned companies, he said Indian companies have acquired around 10,000 companies in Europe, if one is to take a rough estimate. "But this is just 10% of their potential. Indian companies are hungry: if they continue to think big, they can acquire many more global companies," he added.