Issues Hampering the Corporatization of Businesses in Pakistan and the Road Ahead

By

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Corporate Scenario in Pakistan

- Over 55,000 Registered Companies
  - Listed 650
  - Over 186 Multinationals (OICCI Members)

- Private Limited Companies
  (Majority of the unlisted companies are family owned entities)
Corporate Culture of FoB’s

Orthodox style of doing business:
- To much dependence on family human capital.
- Munshism
- Lack of interest in funding growth through external capital.
- Ineffective Succession planning
**Strengths of Family Business**

- High Commitment/dedication from family as business owners.
- Family members willingness to work harder and reinvest profits into the business for long term growth.
- Willingness to pass on knowledge and experience.
- Family name and pride associated with the business.
Why to Corporatize?

It Improves:
- Company’s long term sustainability.
- Company’s ability to raise external capital.
- Informed decision making resulting in:
  - Diversification
  - Expansion, domestically and internationally
  - Growth potential