



GHARPAR: THE LEAN BEAUTY START-UP *BEAUTY DONE COMFORTABLY (A)*

It was an early winter day on October 13, 2018, when the four co-founders of GharPar (GP), an at-home beauty services business, gathered in the company's meeting room to have their weekly morning meeting. Surrounded by stylised halogen-lamps on each wall of the indoor space, the partners were immersed in their debate regarding the future of the company they had founded two years ago. The company had demonstrated impressive growth in Lahore, Pakistan; the market where it was originally launched. Owing to this remarkable traction that GP had developed in such a short period, it had managed to lure the interest of certain investors. Their investment was; however, conditional to GP's ability to expand itself in markets other than Lahore for which they would like to see a *proof of concept*. Meanwhile, Shameelah Ismail, who was the CEO and largest shareholder of GP, and Mehvish Arifeen, who was the COO of the company, were fearfully concerned about the appearance of copycats in other cities of Pakistan, and what they believed was causing harm to GP's hard-earned brand equity. One such copycat in the twin cities of Islamabad and Rawalpindi gave itself a similar sounding name and was trying to deceptively portray itself as *Gharpar in Islamabad now*. Fareed Qureshi, who was the CFO of GP remained sceptical of expanding beyond Lahore at least for another year. With their not-so-successful launch of men services in Lahore just behind them, and considering the state of their core business, Fareed wondered whether they had truly achieved the level of demand and profit potential required to warrant the scaling of their business as yet. Arooj Ismail, the CMO and fourth co-founder of GP, in this whole situation, remained deeply concerned about the very *purpose* and *identity* of GP, as it was built so passionately by all of them over the last two years. While Arooj was amazed by the interest of investors in GP, she wondered if they were prepared to let go of further personal equity at this stage, which may also mean a compromise on the mission of their start-up.

GP, launched in September 2016, was a start-up providing at-home beauty services, such as hairstyling, make-up, blow-dry, body scrub, waxing, massage and pedicure/manicure to women of all ages in the city of Lahore, Pakistan. The company promised its customers "comfortable, convenient, and professional beauty services at the ease of their home" and had captured a loyal and steadily growing customer base in the upper-income segments of Lahore's beauty market. GP, unlike the conventional beauty salons, distinguished itself as an amalgamation of a beauty and technology company serving its clients through a mobile application and web-based platform. On the other side of their supply chain, GP positioned itself as a social enterprise that created lucrative economic opportunities for low-income women who could work as freelance beauticians using GP's platform. "At its core, Gharpar is about creating women micro-entrepreneurs, who can live a financially independent life," said Shameelah. GP essentially allowed these marginalised women to run their own beauty business by giving them access to the company's platform of 10,000+ subscribers as it stood in October 2018. As such, the company did not employ these beauticians as salaried employees rather adopted a commission-based model, where the company kept 30-40% of the revenue from each customer appointment and the beautician pocketed the remaining 60-70%. According to statistics given by the company, many of these beauticians made more than PKR¹ 40,000 a month, where the average monthly income of a salon employee was roughly PKR 6,000-8,000. Furthermore,

¹ During 2018, the average exchange rate for the U.S Dollar to the Pakistani Rupee was 121.44. Source: State Bank of Pakistan, http://www.sbp.org.pk/ecodata/ibf_arch.xls, accessed January 2019.

This case was written by Dr Muhammad Shehryar Shahid, Research Associate Saad Raafay Ahsen and Dr Muhammad Adeel Zaffar at the Lahore University of Management Sciences to serve as basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation. This material may not be quoted, photocopied or reproduced in any form without the prior written consent of the Lahore University of Management Sciences.

working under favourable conditions and receiving professional training allowed these beauticians ample opportunities to develop their skills, making them a more productive part of society. In essence, GP functioned as a technology-enabled platform connecting at-home beauticians from underprivileged and minority backgrounds with female customers who were pressed for time. The success of this mission was evident in the respect and cordiality GP's beauticians displayed towards the GP team, especially echoed in their strong bond with GP's CEO Shameelah Ismail. "Ma'am Shameelah is like our elder sister," said a beautician, "she works so hard for us". These women staunchly believed that the GP team had taken good care of them, by training them in the art of providing beauty services and providing them with a platform to earn their own livelihood.

As one beautician described it, "Through GharPar, we have learned *himat* (confidence), time *ki pabandi* (time management) and *hunar* (skill), which gives us a professional standing." Another stated, "We are not bound by fixed hours, we can manage both our professional life and home life and we earn four times more than we could at a salon working from 9 a.m. to 9 p.m. What could be better than this? My husband does not work, so now I can pay the school fee for my children." In short, they were appreciative of the positive financial and social change that had transformed their lives as a result of working with GP.

So, what sets them apart? GP competed with high-end salons by providing quality at an economical price. It allowed one-click access to an assortment of services letting clients choose a date and time that suited them rather than waiting for appointments at a salon. Moreover, unlike the existing at-home beauticians, the use of strict standard operating procedures (SOPs) by GP in the delivery of their services had been the cornerstone of their value proposition. Where high-end salons squeezed the hours out of their employees, GP provided flexible working hours alongside trainings for beauticians to polish their skills. At the end of the day, it offered clients a set of vetted beauticians pampering them in the comfort and security of their homes.

BACKGROUND

Shameelah Ismail, the CEO of GP, had always been an entrepreneurial kind. As her father was a diplomat, she spent much of her childhood studying in a renowned Parisian academy in France, where beauty and grooming were her favourite subjects. However, upon her return to Lahore, she obtained an MBA from PAK-AIMS in 1998 at the request of her parents and settled into a job as a banker after getting married. Upon realising that this was not the right path for her, she quit the job in 2001 and over the next decade, held many different positions; a French teacher, a school administrator, and a full-time mother. However, in 2014, as her children were growing up, she decided to pursue her childhood passion for make-up and design and launched her own salon in Lahore by the name of Shelu Salon. To prepare for the challenge, she took beauty courses in Dubai, Istanbul, and London, and obtained the relevant certifications in this profession. She invested about PKR² 1 million of her savings and started operating her salon from a single room in her home in Cavalry Ground, Lahore; making substantial money right away with her make-up services which were targeted at a high-income clientele.

In 2015, after her salon had been operating successfully for a few months, Shameelah started thinking of other value additions she could bring to the business. She had noticed that every time a customer came in her salon, the salon would sell them certain third-party beauty products for use within the salon and later at home. As enterprising as she was, she spotted an opportunity to develop her own brand of beauty products which could be marketed to her salon customers as a substitute for the standard off-the-shelf products.

For that, she decided to bring her younger sister Arooj Ismail, and Arooj's best friend Mehvish Arifeen on board, on a voluntary basis. Mehvish graduated with a Master's degree from the Fletcher School of Law and Diplomacy, after completing her undergraduate studies at the University of California, Los Angeles. She had a background in market research and operations management and was working with the Centre for Economic Research (CERP) in Pakistan. Arooj, on the other hand, was a graduate of SOAS, University of London and was working at the British Council Lahore. After working on the designing of product lines for a few weeks, these three also brought onboard Fareed Qureshi, who was Shameelah's and Arooj's brother, to help them with the production. Fareed

² During 2015, the average exchange rate for the U.S Dollar to the Pakistani Rupee was 102.65. Source: State Bank of Pakistan, http://www.sbp.org.pk/ecodata/ibf_arch.xls, accessed January 2019.

was working with Boston Consulting Group in the USA but at that time he was in Pakistan working on a project for the government of Pakistan (see **Exhibit 1** for a brief biographic profile of each partner). Fareed helped Shameelah connect with a pharmaceutical company in Lahore which manufactured high-quality cosmetics for third parties, and had a small batch of her own cosmetic products made, called Skin & Co. Shameelah successfully used and sold that initial batch of Skin & Co. products at her salon for the next few months, choosing to discontinue production after the initial batch was fully utilised to focus on other enterprising ventures.

A year later, in April of 2016, Shameelah's Shelu Salon was operating smoothly without any roadblocks. At this time, shortly before Shameelah was about to leave for Dubai, UAE for a brief vacation, Mehvish contacted her, saying that she wanted to start a new business venture with Shameelah. Being aware of Mehvish's enterprising nature, Shameelah shared with her an idea about a vocational training school that she wanted to start, and Mehvish liked the idea. After a few days, while Shameelah was still on her vacation, she received another message from Mehvish on a WhatsApp group that they shared with Arooj. Mehvish stated that she had left her job at CERP and wanted to start a business and brought up the idea of the vocational training school again. It was during this conversation that Arooj contemplated the idea of a *salon on wheels*, which Shameelah liked very much. Once Shameelah returned to Lahore, excited as she was, she immediately called an informal meeting with Fareed, Arooj, and Mehvish to further dwell on this new idea. After a lot of deliberation that took place in that meeting, they found themselves being more excited about an at-home beauty service, which they believed was a more plausible proposition. All four of them decided to partner up for this venture and resolved to materialise the idea soon.

THE SALON INDUSTRY IN LAHORE

The salon industry in Lahore was characterised by a handful of high-end salons for the upper-class residents of the city, along with a plethora of medium- to low- end salons for the remaining income classes. High-end salons such as Depilex, Toni & Guy and Nabila's catered to an exclusive clientele of women of all ages from upper-income families, offering high-quality products at premium prices (see **Exhibit 2** for a comparative price table of selective salons in Lahore). Although exact numbers had not been studied, the Punjab Revenue Authority (PRA) estimated that around 2000 salons were operating in the city of Lahore, with most being on the medium- to low-end of the spectrum. Overall the salon industry in Pakistan, especially the metropolitan cities such as Lahore, Karachi, and Islamabad in particular, had undergone mushroom growth over the last decade or so, catering to both men and women clientele.

However, given such a high number of salons, there was a complete lack of any branded or well-known at-home beauty services in the city. This was reflective of the lavish lifestyle and socialite culture of upper-income women in Lahore, whereby going to the salon was seen as a social activity in itself. Still, in order to cater to a gap in the market for at-home beauty services for working women returning home in the evening, an informal sector had formed, consisting of beauticians offering their services informally to household clients, with varying quality, pricing, and timings. It was this sector that GP wanted to formalise.

GETTING STARTED

In May 2016, two weeks after the partners had conceptualised their at-home beauty service idea, they decided to enter a national competition; the Pakistan Start-up Cup. The competition was to have four rounds, one each month starting in May 2016, and the winning team would receive PKR³ 1 million as start-up capital for their proposed venture. Before entering the first round, the partners wanted to finalise the name of the start-up.

³ During 2016, the average exchange rate for the U.S Dollar to the Pakistani Rupee was 104.66. Source: State Bank of Pakistan, http://www.sbp.org.pk/ecodata/ibf_arch.xls, accessed January 2019.

As Shameelah recalled:

We were all sitting together bombarding each other with various names, but couldn't agree on one. Interestingly, whenever we had discussed the idea amongst ourselves, we had referred to it as the *Gharpar wali* service [translation: service performed at home]. Eventually, all of us decided to go with the name *GharPar* as we were using it informally anyway.

At this time, the partners carried out extensive market research, obtaining survey-based feedback about their service from 400 online respondents based in Lahore, and conducted five focus group sessions in order to understand the pain points of at-home beauty services in Lahore. Resultantly, the GP team performed very well throughout the four months of the competition, and became the second-runner up of the competition, winning the reward of PKR 0.5 million. Around the same time, the partners also entered another start-up competition by the name of Throw-a-Thon in Lahore, and finished in the first place, winning PKR 0.3 million.

The partners decided to formally register their business as an association of persons after these competitions concluded in August 2016, and finalised their profit-sharing percentages. While their initial capital expense was comfortably funded by the prize money of PKR 0.3 million they had earned in one of the competitions, they decided to mutually pool in the capital of PKR 5.6 million from their personal funds, which they set aside to fund their operating expense for at least a year to come. The major fraction (approximately 50%) of this contribution came from Shameelah. Consequently, the profit-sharing percentages were also determined in conjunction with the capital contribution of each partner, whereas Shameelah held a relatively larger percentage of profits as compared to other partners. Nonetheless, the profit share of the other three partners was also decided to be high enough for them to remain committed to GP, especially considering that Arooj was still holding her full-time job at British Council and Fareed was in the process of writing a book. Mehvish, who had left her job with CERP, and Shameelah were the only two full-time partners at that point. Eventually, once the profit-sharing arrangement was finalised amongst the partners, they contacted a law firm to draft a legal partnership agreement, which was signed and formalised in August 2016. The launch of the business was decided to be around September 8, 2016, which was just a few days before *Eid-ul-Adha* that year, as they did not want to miss the demand spike of beauty services during *Eid* festivities.

Putting Together their First Cohort of Beauticians

The first task at hand was, of course, the search for women living in low-income areas of Lahore and their recruitment as freelance beauticians on the GP platform. In June 2016, the partners initiated a formal community outreach program to recruit beauticians from Lahore's certain Christian-residential colonies, including Maryam Colony, Makkah Colony, and Nishat Colony. All three of these neighbourhoods had a high concentration of under-privileged Christian women and were located in close proximity to the GP's head office in Cavalry Ground, Lahore. Although GP had always maintained a non-discrimination policy for its beauticians, the rationale to focus its initial recruitment efforts on Christian communities, whose residents dominated the workforce in the beauty and salon industry, was very well described by Shameelah, "In my experience of running a salon, I have experienced this additional challenge with Muslim women - they have issues performing services that involve touching clients' feet or some other sort for which they have religious reasons."

The turnout at almost all of these outreach events conducted in the three localities was remarkable. Many women showed up and seemed very keen to learn about GP and its offerings. "Our sales pitch to those women was mainly about how they could make more money while working with GP as compared to if they worked for a salon or as a freelance beautician on their own... we showed them real numbers!" said Shameelah. The overwhelming response at the outreach events made the four partners very excited and they anticipated a good number of women signing up for their platform to be trained as beauticians. To their great surprise though, none of the women approached them for the signup after the outreach events.

As Mehvish painfully expressed:

It was a total failure. From a room full of 100 women, say, only 5 approached us later, and they too dropped out after asking a few questions... For some our earning proposition appeared to be too good to be true; in short, they did not believe it. For some, their husbands or in-laws didn't let them; for some, they feared going to other people's houses to perform the service.

Disappointed at the futility of their outreach programme and with the date of launch looming over their heads, the partners immediately started looking for other ways to recruit the first cohort of their beauticians without which their business model was simply not possible. Finally, they managed to bring a few beauticians onboard using personal contacts. The first beautician they recruited, as a result, used to provide Arooj's family with at-home waxing services. Arooj not only convinced her to join GP herself but also asked her to bring three other women from her family. On the other hand, Shameelah convinced two new recruits of her salon to join GP instead. In this manner, the partners recruited six women by June 2016, ready to go into training. While the family members, especially husbands, of these initial beauticians did express some minor concerns for the safety and security of their wives going to other people's houses to perform beauty services, there were no major familial or social obstacles experienced by the beauticians. Simultaneously, the partners, especially Shameelah, started developing the format and content of the training programme that these new beauticians would go through along with the SOPs of how a particular service would be performed by the beautician.

In this regard, Shameelah personally trained two experienced beauticians of her salon who, in turn, would train the six new recruits in various technical skills pertinent to performing different beauty services, including hairstyling, facial, waxing, pedicure/manicure, and massage. The trainings included personal grooming of the beautician, hygiene and customer care; however, they were diligently performed by Shameelah herself. So much so, the beauticians were meticulously trained on basic mannerisms, such as how to sit, speak and communicate while they performed their tasks at the client's premises. The other three partners also closely supervised these trainings. As Arooj recalled, "You know what, your first impression in a business of personal grooming can literally be your last impression. We want to be sure that our beautician does not look like those informal freelance beauticians."

Market Trials

The partners decided to have a soft-launch in August 2016 as a trial-run before they officially launched their services in Lahore in September 2016. For the first trial, all the partners made an exclusive list of family and friends on whom they could potentially try their services. They collectively managed to bring on board a little over 200 women using their personal contacts whose consent was sought vis-à-vis the use of any of the GP's at-home beauty services. The design of the experiment was such that those women were offered one service for free during the trial period from amongst waxing, manicure, pedicure, facial, blow-drying or massage. In case someone wanted a second service, it would be charged according to their standard prices. It was, however, made mandatory for all those women who participated in the trial to provide formal feedback regarding the quality of the service provided as well as the behaviour and skill level of the beautician.

The feedback was collected via an online feedback form; the link was immediately sent to the customers using an SMS or WhatsApp message after the service had concluded. The registration and order booking of all the 200+ trial customers were executed through WhatsApp, while the scheduling of the six beauticians who would perform those services was all manually done by the partners using a simple spreadsheet scheduler. As shared by Arooj, "It was a pure lean way of doing things – it was like all four of us sitting in front of the computer assigning our six beauticians against the 200 customers who had agreed to be a part of that trial." Then as soon as an appointment was assigned to a beautician, she was sent a text message on her phone by one of the partners informing her of the date, time and type of service as well as the name and address of the client, to which the beautician replied with an okay. During the training phase, the beauticians were also trained by the partners to at least be able to understand the information shared in the message and type the standard okay reply. At the end of the first trial, almost 200 services were performed by six beauticians over the last three weeks of August 2016.

As Shameelah elaborated:

Our main objective during this first trial phase was to test customers' willingness to avail our 'timely, professional and hygienic' services, while at the same time understand how customers treated GP's beauticians. We were also checking if customers themselves abided by the scheduled appointment time, how they ranked the quality of our services, and whether they treated our beauticians with courtesy and respect. Essentially, we wanted to discover any problems early on, in order to fix them before the official launch.

Interestingly, almost all the women who participated in the trials filled up the feedback form, whereby some of them were also approached by the partners for more elaborated feedback over the phone. Amongst a few notable observations during the trial were, for example, some customers complained that the beauticians were "looking around" at their expensive decoration pieces when they entered their house, which led GP to tweak their SOPs to include keeping eyes lowered when entering a client's house. Similarly, some clients complained about the late-arrival of the beautician, which resulted in the partners making it mandatory for the beauticians to arrive for the service at least 5 minutes earlier than the scheduled time. This discovery from the trials led to the enforcement of a rule that in case any appointment faced a delay that stretched over 15 minutes (barring emergencies), the client received a discount that came from the share of the beautician. Similarly, in case of a delay from the client's end, there would be an extra charge on the fee. As Shameelah said, "The clients do not leave any opportunity to report the late arrival of the beautician to obtain the relevant discount –it's an automatic check on the beautician!"

Since all the customers who participated in the first trial comprised of women personally known to the partners, they feared the presence of some positive bias in their feedback. Resultantly, they decided to execute a second trial exclusively targeting women who were not directly known to any of the GP's four founders. This time the methodology was such that each of the customers from the first trial was asked to refer GP's service to at least one person from within their personal network. All in all, it resulted in 50 referral customers who were total strangers to the GP team. Akin to the first trial, each of these 50 referred customers was provided one free service by the GP beautician at their home and was asked to provide formal feedback using the online form. There was, by and large, an overwhelmingly positive response by the customers who tried GP's service in the second trial. The women simply loved the at-home beauty services and more importantly the professionalism with which the service was delivered. As jubilantly expressed by Arooj, "Those 50 women became our most loyal customers and remain with us to date." Interestingly, by the time the second trial ended, the GP team had also qualified for the fourth and final round of the Start-up Cup that they were participating in. In fact, the results of the trials became a major conviction for the judges at the competition to be taken as a proof of concept for GP's idea and them winning it as second runner up. "I must say that the Start-up Cup has a great role to play in what we did and how we did it! It became the trigger for many things that we did. Had it not been the pressure to prove ourselves at the final stage of the competition, we might not have conducted the trials as efficiently as we did," asserted Shameelah.

Preparing to Launch

Service Booking Model

The partners started conceptualising their service booking process as early as July 2016, envisaging it to be a two-step procedure. The first step involved the customer registering with GP as a member, through their website, which was a one-time task. At the end of which the customer was given a permanent membership-ID. The second step involved booking an appointment by the registered member for one of GP's services, again through the website using the membership-ID that was assigned to her in the first step. **Exhibit 3** outlines the flow of the service booking process in more detail.

In the early stages of the business, the partners had a primitive, largely manual order booking system in place. As Arooj recalls:

A lot of copying and pasting took place after we launched since everything was manually done. After a customer placed an order via our website, an email was generated and sent to our inbox. From here, we would copy appointment information and paste it into our online scheduler and Excel sheets, in which we had created dedicated appointment slots for different beauticians based on their skill set and availability. We then texted the relevant beautician the appointment details and waited for her confirmation. Looking back, it felt like the Stone Age!

Building Website and Facebook Page

The partners decided to create a Facebook page for GP in August 2016, and the website was linked to it, which would serve as a simple landing page for customers to register themselves and book their services with GP. The partners hired the services of a company called Alpha Square to build their website in late July 2016, which was done quite quickly. At this stage before their official launch, their Facebook page mentioned the list of services they would be providing for women once the business was officially launched, with posts titled *coming soon* populating the slowly growing Facebook page. **Exhibit 4** highlights images from GP's most recent Facebook page and website and **Exhibit 14** shows selected customer reviews. Similarly, the first version of their website was very basic, it only listed the types of services and their corresponding prices, along with a *book an appointment* page. At that stage, the back-end of the website was all manually driven, such that when a customer entered information into the *book an appointment* page, an e-mail was sent to the company's dedicated e-mail address, which all four partners could access. From there any of the partners manually registered the customer and assigned them the membership-ID using a spreadsheet.

Pre-Launch Buzz

The partners had decided to officially launch GP's services in Lahore on September 8, 2016, during the week of the *Eid* festival, when demand for beauty-services at traditional salons tended to be very high due to the extravagant nature of the festivities. As the partners had successfully provided free services to all of their trial customers in time, i.e., a week before their launch on September 8, 2016, they chose this opportunity to create buzz and hype for the launch. They accomplished this by getting in touch with influencers and bloggers to write about their upcoming service. As GP's Facebook page had around 2500 followers at this point, the partners got in touch with female beauty and fashion bloggers with Facebook or Instagram followers in the 5000+ range and provided them with a free service in return for a social media post about their experience. This way, GP successfully provided free services to 20+ bloggers in the week leading up to its official launch. This resultantly drove traffic to their own Facebook page via the bloggers' positive social media posts and mention of GP's services.

Launch

The GP officially launched on September 8, 2016, just at the beginning of *Eid* holidays. It launched its operations with eight beauty services: hairstyling, blow-drying, facial, scrub, pedicure/manicure, threading, massage, and waxing (see **Exhibit 5** for a complete product and price list of GP). The initial demand overwhelmed the partners. Although they had anticipated a healthy amount of orders due to the hype-building activities they had carried out through bloggers on social media, they did not expect to see results so quickly. As Shameelah pointed out, "On *Chaand Raat*,⁴ our services were on till midnight, and we made around PKR 25-30K on that night alone, which we hadn't expected at all, just 3 days after the launch." As soon as GP was launched, new customers kept sending in orders for appointments through the company's WhatsApp number available on the Facebook page, rather than visiting the website and following the formal order booking process. Not many of these initial customers ever visited the website. Due to a large number of orders, in the first few days, the partners even catered to the orders they had received directly through WhatsApp, as they did not want to lose customers. After the *Eid* holidays;

⁴ The night that happens to fall just before the Eid day is referred to *Chaand Raat* in Pakistan. It is known for its extravagant festivities.

however, when demand settled down, they almost stopped processing orders that were received via WhatsApp. Instead, the customers were directed to the website and made to use the formal service booking process that they were meant to use originally. Overall, the launch was a great success, with almost 50 appointments served during the four days of *Eid* holidays.

After launch, although the initial spike in demand around the *Eid* festival subsided, orders were still slowly coming in and demand was steady at around seven customer appointments per day. In October 2016, GP brought two additional beauticians on board who had previously been trained and passed GP's end-of-training exam to gain access to the platform. With eight beauticians, operations were running smoothly at the back-end during this period. The partners decided to launch a new make-up service for the first time at the end of November 2016, to capture the high demand for this particular service during the upcoming *Shaadi* (wedding) season in December. In order to launch make-up services effectively, GP brought onboard a total of ten beauticians and carried out hype building activities on social media to increase awareness. As a result, GP performed very well in December 2016 and ended the month with its highest revenue yet, driven by a spike in demand for hair and make-up services in particular.

Building the Business

Recruitment and Training

As the partners believed that a major reason for their success had been their teamwork, they were invested in the process of team building since GP's inception. The most important part of GP's team was, of course, its beauticians, who had been steadily recruited and trained through a combination of the company's community mobilisation efforts and referrals from trusted parties. From a team of just six beauticians when GP was launched in September 2016, the company had brought onboard twenty-two, active beauticians, by their first anniversary in September 2017 and were maintaining forty-seven active beauticians a year later in September 2018.

On the recruitment front, GP had majorly relied on community mobilisation programmes in the three largely Christian-based areas of Nishat Colony, Mariam Colony, and Makkah Colony, located close to its head office. Despite the initial failure of these outreach programmes, their efforts started bearing fruit, slowly but surely. Nevertheless, "after our first experience, we never organised an independent outreach event on our own again; we always either used a female advocate who happened to be an influential person in the community or any of our existing beauticians who belonged to the same community as someone who would invite and bring a group of selected women to attend our sessions... Having seen it coming from someone like them, it was far easier for those women to put their trust in us!" commented Mehvish. It was for this reason that overall 90% of the GP's beauticians came from these three communities as on October 2018, with Christian women represented 70% of the total headcount.

Each beautician signed a two-year renewable contract with GP when she joined the company, with a penalty of PKR 50K in case of any breach in the terms of the contract. There was an extremely structured training program in place for beauticians since the very inception of GP. After being recruited, beauticians would enter a formal two-month training program, where GP's trainers worked with them 5-hours per day for 6 days every week, training them at GP's head office in both technical as well as soft-skills, such as hygiene, grooming, mannerisms, and financial management. After the end of this two-month training period, a beautician would have to spend one week working at Shelu Salon as a trial run. After this, an additional week would be spent for a field trial only catering to 3-5 appointments conducted at the customer's residence. The customers who would participate in these field trials typically comprised of Shameelah's or Arooj's friends and family members, who would formally rate the new beautician's performance and provided detailed qualitative feedback to the company via telephone. Only after passing all of these steps was a beautician given access to GP's platform to become an active beautician.

All the trainers, who happened to be the experienced beauticians working at Shameelah's salon, were personally trained by Shameelah, who then trained the new recruits. The soft skills trainings; however, were conducted by both Shameelah and Mehvish themselves (See **Exhibit 6**).

Shameelah stated:

Apart from being good technicians, we want our beauticians to be good professionals as well. We try to teach them about every minor detail of their interaction with the customer. Literally, they are taught a standard procedure of doing everything while at the customer's premises, including how to talk, how to walk, how to enter or exit the house, how to pack/unpack their bags, how to clean the space after a service has been performed, etc. Even though they are freelancers but we also make it mandatory for them to wear a standard uniform provided to them by us.

As a matter of policy, a particular beautician was trained in only one or a maximum of two skills. For example, if waxing was a skill, the beautician would be trained to perform all the various types of waxing. No beautician was taught to perform all GP's services by herself.

When asked about why train a particular beautician in only a limited number of skills, Shameelah very thoroughly explained:

Well, most importantly, we want our particular beauticians to *specialise* in whatever skill they learn; after all, it has a direct relation with the quality of service. Secondly, training a beautician in 1-2 skills generally takes about a couple of months, so you can imagine if we were to train them in say 4-5 different skills each, then it might take them a year before they get out there in the field. Plus, with one toolkit costing them about PKR 40,000-50,000, it is financially feasible for our beauticians to buy toolkits for multiple types of services at a time. Also, frankly speaking, if you train them in multiple skills, there is a high chance that they would leave GP's platform and start their own beauty business.

The company's training program went through certain modifications within the first six months of operations, due to an incident which involved their beauticians-in-training. In January 2017, GP was in the process of training its fourth cohort of beauticians, which was also their largest at that point, of around ten in number. While this was a massive administrative undertaking for GP, what became a burden for the partners at this time was not the training load, but rather significant incidents of theft around the office involving that particular cohort of beauticians-in-training.

According to Shameelah:

Each day, something out of place would be found in one of the beauticians' bags, who also complained that their own belongings weren't safe. We went as far as to get lockers for everyone at the office, but the incidents of theft did not stop! Our biggest concern was that one or more of these beauticians-in-training were definitely involved in these incidents. If an incident of theft occurred at a client's house at any given time, our carefully crafted reputation and goodwill would significantly be hampered, and it might lead to legal action as well.

As a result, the partners decided to significantly upgrade the documentation requirements of hiring new beauticians, making their contracts stricter, with additional clauses. For instance, all beauticians joining GP now had to get police character certificates made, as well as get biometric fingerprints recorded at the local NADRA office. They also added requirements for all beauticians to get permission from their head of household in-writing in order to join GP. As Mehvish recalled, "After we introduced stricter documentation, one after the other, every single beautician in the fourth cohort left GP before training was completed. It was quite an eye-opener for us!" After this incident, GP decided to institute a one-week orientation program, to be held before the start of the formal two-month training period. During this orientation program, the partners would assess not only the beautician's organisational skills and ability to fulfil stringent documentation requirements but also her learning ability in grasping the theoretical and technical logic behind each service offered. This way, the partners screened out those beauticians early on, who did not possess the right combination of skills, the right mindset, and learning ability to deliver GP's services.

Another change in the company's recruitment and training policy, this time specifically related to their massage services, occurred in May 2017. Although massage services had been the company's most successful service offering since launch, the partners started facing challenges as early as February 2017 in relation to their masseuses. As giving a massage was a technical skill, the partners had hired two Filipinos women, who were formally trained in the art of massage, to be their masseuses, instead of recruiting local beauticians for this purpose. As they were foreign nationals, GP employed these women as salaried personnel, giving them a high monthly salary, along with a bonus commission based on the number of appointments they carried out in a week. Demand for at-home massage services was high, GP's masseuses started neglecting their duties, for instance, missing appointments, insubordination, and turning their cell phones off in the evening so that they would not be available for new appointments. This started to lessen the company's goodwill with its customers, especially since many working mothers liked to avail massage services later in the evening when GP's masseuses would not be available. After repeated warnings, the partners were forced to let go of both of their masseuses in late February 2017. As a result, massage services were temporarily halted, only six months after launch. After this ordeal, GP slowly managed to re-launch and ramp-up their massage services again in May 2017. This time, they relied on the local workforce rather than foreign-workers. The company hired a massage-expert who had trained in Bali, Indonesia, to train two beauticians at GP, not only in the art of providing a massage but also on how to train others for this purpose. As a result, those two beauticians became massage-trainers for GP, and; henceforth, trained local beauticians in this skill. The company was able to continue massage services through local masseuses, and operations ran smoothly since then.

Lastly, apart from their beauticians, the second part of the GP's team was the company's employees, who were essential for providing back-end support to the business. During their first year, the company operated with a team of only four employees. However, in their second year, starting in September 2017, the company had steadily ramped up the process of hiring additional employees as the need for additional help arose. By the end of the second year, in September 2018, the company employed around 30 individuals. **Exhibit 7** depicts the organisational chart for the company, highlighting the slate of employees at GP as of September 2018.

Operations and Quality Assurance

As of September 2018, although the company maintained a 25 km radius from their HQ as the absolute limit for taking orders within Lahore, most of their orders originated from specific central areas of the city. The partners had estimated that the DHA-Cantonment area accounted for 30% of all customer orders, the Gulberg-Model Town area for another 30%, and the remaining localities in Lahore for the last 40% of all customer orders. The age-bracket which ordered GP's services most frequently was the 25-34 age bracket, accounting for almost 50% of all orders, followed by the 18-24, 35-44, and 60+ age brackets respectively. The partners had found that the popularity of specific services remained largely the same across all age groups, especially waxing for women, which had consistently remained GP's most popular and profitable service since launch.

GP was serving approximately 37 customer appointments per day, as shown in **Exhibit 8**, and since each appointment comprised of approximately 1-2 services each, the company was providing roughly 37-74 services per day, as of September 2018. The way the customer ordering process was structured was that a customer or client would book an appointment with a specific time slot, and within this appointment, could book specific services, such as massage, waxing, etc. The company would then assign each service within a customer appointment slot as a job for one or more beauticians. For instance, if a client had booked an appointment for a facial, a manicure, and for blow-drying, these were three different services to be performed. The company could then assign each of these three services as a separate job for three different beauticians. Or it could assign two services as one job to a particular beautician who had the skill to perform both services and assign the third service as a separate job to a different beautician.

Proper assigning of jobs to the beauticians was something extremely crucial for the success of GP's business model. Recognising its significance, the four partners had duly invested to move from the manual assigning of jobs using spreadsheets towards a technologically advanced system of automatic assignment of jobs to the beauticians. While assigning jobs to beauticians, as appointments were booked by the customer, GP's automated system accounted for four different parameters;

1. the type(s) of services a beautician was trained for,
2. the availability of a beautician for the particular appointment slot,
3. the beautician's performance rating, and
4. the beautician's earning level for the current month as compared to other beauticians.

The last parameter was intended to ensure parity of income across beauticians by prioritising the ones with relatively fewer earnings in the given month. The GP team took great care to ensure that every beautician had access to an equal opportunity to earn money. Interestingly though, the ground realities of GP's business model were found to impede severely the effectiveness of this automated job assignment system. There were many instances when a particular beautician would simply reject to accept the job assigned to her via the automated system, owing to her unwillingness to take up additional jobs beyond a certain number within a specific week. As Mehvish expressed very frustratingly:

Due to this concept of cultural contentment in Pakistan, along with additional household responsibilities for women, our beautician utilization is well below 70%. For instance, if one of my beauticians does two appoints in a day, most of the time she will refuse to take up an additional third appointment because she has to go back to manage her household and be with her family. Such situations call for bypassing our automated system and manually calling up our beauticians begging them to take up the appointment... in Pakistan, at times, culture kills the technology.

On average, as it stood in October 2018, a GP's beautician performed 1.7 jobs in a day, with some performing as many as four jobs in a day, while there remained those who opted for absolutely no job in a day. In about 20% of the cases, the appointment was turned down by the beautician for one reason or the other.

Shameelah expressed:

There are those beauticians who just stop accepting more appointments as soon as their financial goals for the week are achieved. At times, they just become dormant for a full month because they think they have made enough money, while there are weeks when the same beauticians would become super active because probably now, they have a personal debt to pay.

Also, GP created a provision, only for its loyal customers though, to request a specific beautician for a specific service, of course depending on the availability of the beautician in the requested time slot. Such requests were more common for services, such as waxing and massage.

As shared by Arooj:

Some customers are so finicky about having their service performed by a specific beautician that they would rather wait and change their appointment day and time according to her availability. It does pose an operational challenge, but we got to accommodate them for their loyalty.

Quality assurance had always been a major focal area for the GPs team right from the beginning of their venture. "When you are in a service business, and that too of something that deals with beauty and involves personal interaction, quality of service can make or break your business," Shameelah asserted. Shameelah, being a naturally quality conscious person, paid meticulous attention to develop a robust customer feedback system in particular. For that purpose, a special quality control team had been set up consisting of an assistant manager customer care, a feedback officer and a group of customer service representatives reporting directly to Mehvish in her capacity as COO. The role of this specialised team was to track customer feedback using both online (mobile app, WhatsApp and Facebook page) and offline (phone calls and SMS) channels, and actively responding especially to the negative concerns being raised by the customers if any. As a matter of procedure, approximately

30 minutes after the conclusion of every service appointment, GP's quality control team would either call or send an SMS to the customer, soliciting feedback regarding the quality of the service. It was also made mandatory for the customer to rate the last service as well as the beautician who performed that service before she could book her next appointment using the mobile app. The customer could not skip the rating option. Negative feedback, if any, would immediately be flagged, and the nature of the complaint would be identified. If the nature of the complaint was about the beautician's skill level, it would be forwarded to Shameelah's team, who would take relevant action on it, such as re-training the beautician in that particular skill. However, if the nature of the complaint was related to the beautician's behaviour or there was an allegation of theft, for instance, the complaint would be forwarded to Mehvish instead.

The GP quality control team usually allowed for three red flags before a beautician's contract would be liable to termination. However, as Mehvish explained:

You have to understand that we put in so much time, money and effort into recruiting and training these beauticians, so dismissing them outright is the absolute last resort I would ever employ. Every time I get a complaint forwarded to me, I try to sit the beautician down and explain the severity of her situation to her; I might scold her, or emotionally appeal to her, or scare her with the threat of legal repercussions. However, I try my best to somehow fix the problem internally without having to get rid of her, because we're already under-supplied.

As for the punctuality of service, in case any beautician arrived late to service, i.e., over 15 minutes (barring emergencies), the client received a discount which was equally shared by the GP team and the beautician.

Similarly, as GP strived to ensure a balance between the interests of both their clients and their beauticians, the company had put mechanisms in place for the safety of their beauticians. For instance, although only 3-4 incidents of customer misbehaviour or harassment had occurred in GP's history, the company took these very seriously. GP encouraged its beauticians to immediately call the company over the telephone in case they felt something was suspicious or out of the norm at the client's home, authorising the beautician to pack up her belongings and leave immediately if the need be.

As one beautician narrated:

I had a customer appointment at a farmhouse once with another beautician, and when we arrived there, the environment and ambiance of the place were suspicious, and we did not trust the clients. We immediately called GP and they told us to leave right away, even if we had to abandon our toolkits. The partners stayed with us on the phone the entire time and informed the clients the service would not continue. We left immediately, but if we hadn't, the partners themselves would have arrived at the farmhouse to ensure our safety. We have complete trust in GP in this regard.

Moreover, each appointment was timed with a timer placed in front of the customer to ensure that the service did not go over its allotted time. In case the client requested any additional services on the spot, or there was a delay in service for any reason, the beautician had to immediately inform GP. This acted as another layer of oversight on the provision of a service.

One key operational risk that was inherent to the business model, such as GP, was the possibility of a beautician getting direct with the client, bypassing the GP's platform and undercutting their earning. Being fully cognizant of this risk, the GP had put in place some very smart tactics. The first of these was their *secret shopper programme*, whereby the GP team would purposely ask some of their loyal customers to secretly offer their beautician for a direct service testing her intention to accept the offer. Subsequently, these occasional secret shoppers reported back to GP their feedback in this regard that helped them identify the beauticians who could be the potential offenders, and; hence, were monitored more carefully. The second controlling mechanism that was put in place for the mitigation of this risk was a centralised inventory management system designed by the GP team. All the beauticians, by policy, were bound to buy the beauty products being consumed in various services only from a

centralised warehouse located at the head office of GP. It allowed GP to keep track of the consumption of those beauty products, which according to Arooj, “This informed us if they were using these products elsewhere or not; to serve personal clients.” In case a beautician was caught trying to be direct with a GP’s client, she would instantly be terminated and resultantly lose access to a platform of more than 10,000 potential clients, something that was not accessible to her otherwise. To date, there had been only three reported instances where the beautician tried to offer her personal services to the client.

Talking of this risk, Shameelah said:

See, it is the quality, security, and professionalism of our service that the customers like. They do not take the risk of losing these all by hiring a beautician on their own. In fact, if one of our beauticians ever tries to approach them informally, the clients are often the first ones to report this to us, because they don’t like it at all.

In fact, from the beauticians’ perspective, it was quite clear that rather than a beautician offering her services directly to a client, it was often the client who would request such an arrangement.

As one of GP’s beauticians from the first cohort stated:

Clients request our direct services bypassing GP on an almost daily basis. It happens a lot. But we immediately politely refuse the client and inform the company after the service concludes. Why would we try to be direct when we already get so many appointments through GP? I wouldn’t even have the time to take any extra appointments even if I did work privately. And I would never betray GP in such a manner.

Sales and Revenue Model

As of October 2018, of the 10,000 subscribers on GP’s platform, about 50% were those who had not yet availed any of their services. Every month there were, on average, 1000 customers served by GP, of which almost 60% were those who had previously used GP services (i.e., repeat customers), while 40% were new customers who would use GP’s services for the first time. It means there were 300-400 new customers added per month. Talking of the new subscribers added on GP’s platform every month, approximately 20% tended to convert into paying customers in the same month, while the rest would convert mostly during seasonal sales. According to a rough estimate, 20-25% of GP’s total customers had used their services more than 10 times ever since their inception two years ago.

GP’s founders had made incremental changes to the company’s revenue model since inception. As such, the financial make-up of the company was quite different as of October 2018 than it was two years ago. When GP initially launched, it had started with a 70-30 revenue sharing model with its beauticians, where the beautician would keep 70% of what she made from service, and GP would keep 30% as commission. In early 2018, this revenue-sharing formula was altered to 60-40 respectively. While beauticians who were already working according to the old formula were kept at that percentage, new cohorts of beauticians started with a 60% share of appointment revenue and were slowly brought up to 70% if they kept a consistently high-performance rating, i.e., greater than 4.5 out of 5.0. In the same vein, if their performance rating fell below 4.5, they were likely to be brought down to 60% again. Interestingly, an additional 10% of the beautician’s share was kept by GP in a savings account on her behalf which she was entitled to withdraw at the time of quitting GP or if any special financial need arose. For instance, one of the beauticians had just used these savings funds to buy a car for herself! (See **Exhibit 6**). For GP, the profit margin was essentially fixed as 30-40% of the price regardless of the type of service performed, whereas, from the beauticians’ point of view, their profit margin would vary depending on the type of service. For instance, the beautician would pocket a high margin for nail polishing as she needed to consume very little products for it, while waxing would leave her with a far less margin due to its high consumption of products. The company had shifted from cash-based transactions to using the Sim-Sim mobile payments platform in September 2017, which automated payment processing between GP and its beauticians. While customers still paid the beautician in cash, the beautician then transferred this amount to GP within 24 hours after the conclusion

of the service via the Sim-Sim Wallet app instead of physically coming to the HQ to hand in the cash. Since each beautician had their own virtual wallet and QR code, GP maintained a transaction history with all the beauticians.

However, convincing beauticians of this was not an easy task for the partners. According to Shameelah:

Initially, they put up a lot of resistance at having to learn new technology. They also didn't understand virtual currency and were fearful that their money would stay on their phones. We put in a lot of effort to explain the benefits of this method, including owning a debit card which they could use at any ATM to take out cash whenever they wanted.

The beautician's share of the revenue was transferred to her on a fortnightly basis. Every two weeks, the GP's accounting department assessed how many appointments a beautician had performed in that period and calculated her share accordingly. The automated payroll software would then automatically transfer this share to the beautician's Sim-Sim virtual account, after deducting certain expenses. These expenses included:

1. the cost of beauty products that the beauticians bought from GP for use during service,
2. any fines the beautician had incurred due to reported customer complaints, and
3. monthly instalments for GP's standardised toolkit for use during a service.

According to Fareed:

The beauticians are happy with this automated arrangement, as fortnightly payments ensure that they have savings and having a virtual Sim-Sim account ensures their family members do not know how much money they're actually making, and hence the beautician has more control of her finances.

As the company's toolkit cost PKR 70,000, the partners allowed the beauticians to pay PKR 25,000 as a down payment, and pay back the remaining cost in the form of instalments from their monthly earnings. While there was no requirement for a down payment initially, the company later introduced this as there were incidents of beauticians disappearing with the toolkits to offer their own direct services to clients privately. The cost of the down payment was borne by the beautician, usually through a loan from any micro-finance institution, which was to be arranged by the beautician herself. As of October 2018, almost 80% of GP's beauticians had secured a micro-financing loan to pay for the down payment of the toolkit. After the monthly instalments were paid fully, which on average took one year, the ownership of the toolkit was passed on to the beautician. Similarly, the travel cost to and from an appointment was also funded by the beautician herself; GP did not account for this expense. On average, a particular beautician travelled 10 km for a round trip in catering to a single customer appointment. A beautician spent PKR 5,000-10,000 on transportation per month, depending on how many appointments she was fulfilling and on her mode of transportation, e.g., bicycle, motorcycle or rickshaw. Overall, the range for a beautician's take-home money [income after all the deductions] was around PKR 20,000 to 80,000 per month.

As one beautician who had worked with GP almost since its inception stated:

I can usually do 3-4 appointments in a day and I'm sure the situation is similar for all of us. I think on average we all earn around PKR 50K-60K per month after all the deductions and are extremely happy with that. This job has improved our lives so much. I don't know what I would be today without GharPar!

In terms of the company's overall financial health, GP experienced sustained quarterly growth in sales revenue since its launch, as depicted in **Exhibit 9**. However, the growth trend varied across service lines, with certain services, such as waxing, accounting for a majority of the company's sales revenue, as shown in **Exhibit 10**. The company was cash-flow positive within a year of commencing operations, but, unlike its revenues, showed significant fluctuations in liquidity status over the course of two years after its launch (see **Exhibit 11**).

Raising External Funding

In the first year, the company ran entirely based on the PKR⁵ 5.6 million start-up capital the partners had personally invested, in June 2017, the partners decided to start the process of raising a round of external funding. This was deemed necessary to expand quickly into other cities of Pakistan, especially in light of reports of copy-cat businesses appearing in other cities, and in order to further fuel GP's expansion efforts in Lahore. Around this time, the partners were coincidentally invited to pitch their start-up in front of investors on a TV program by the name of 'Idea Cron Ka' on a popular television channel in Pakistan. After some deliberation, the partners decided to pitch their start-up on the program. Pictures in **Exhibit 12** highlight the important events in GP's timeline, while **Exhibit 13** depicts GP's increasing prominence in print media. However, while the investors on the panel were impressed with how far GP had come in such a short amount of time, none of them were willing to invest in the business at the partners' desired valuation. Still, one good thing that came from the television program was that the partners were introduced to silicon-valley based investor Asha Jadeja, who held initial investment meetings with the partners. Although she did not choose to invest at that stage, she remained interested and introduced the partners to other investors as well. As Fareed explained, "Since we had successfully demonstrated the viability of our service model for over a year in the Lahore-market, we were eager for an investment which would help us grow, but weren't willing to lower our valuation."

To their surprise, in December 2017, after months of searching for a suitable investor, a Pakistani investor based in the UAE showed his interest in investing with GP. He had heard of the company through word-of-mouth and had gotten in touch with the partners through a mutual contact of Shameelah. After successfully holding talks with the partners, he decided to invest in the team at their asking price, i.e., USD 0.5 million for 10% equity. Delighted, the partners accepted the offer and finalised the term sheet in March 2018.

According to Fareed:

We were very lucky to close our seed round with an investor who is very hands-off and has complete faith in our team's ability to effectively utilise his capital to expand our business. Interestingly, in the months following our seed round, investors with whom initial talks had been unsuccessful were once again showing their interest in coming to the table.

Transforming into a 'Tech' Company

Since its inception, the partners had envisioned GP to be a tech-enabled platform. However, this was not the case when GP launched, as most of its back-end and front-end processes being manually done. Over time, the partners sought to remedy this.

In August 2016, a few weeks before launch, the partners had gotten in touch with various tech companies to build an app for them. Through multiple meetings, the partners were repeatedly told that an app with their specific requirements, which were order-taking and processing, would be quite easy to build. At this time, a family friend of one of the partners, who worked in a UX design and app building company, offered to build the app for them free of charge and told them it would be ready in five months. Believing that building their app was going to be an easy task, the partners took up the free-of-cost offer. In January 2017, when the app was due; however, the company they had hired informed the partners that the app was not yet ready and would be delivered in March 2017 instead. When the app was finally delivered to them in March it had a lot of bugs (technical problems) that it was almost entirely non-functional. It had been coded in a way that certain lines of codes were negating others, and it could not process even a single customer order without crashing. This was quite a set-back for the partners, as they had planned to launch their app around this time to create marketing hype and capture more of the Lahore market. However, instead of dwelling on their failed app and trying to get it fixed, they decided to scrap it altogether.

⁵ During 2017, the average exchange rate for the U.S Dollar to the Pakistani Rupee was 105.33. Source: State Bank of Pakistan, http://www.sbp.org.pk/ecodata/ibf_arch.xls, accessed January 2019.

According to Arooj:

We learned many important lessons through this process. In retrospect, it would have been better to formally hire a company to build our app as opposed to taking favour. We were in an awkward situation, because the company we had engaged thought of this as a side-project, and we could not be stern with them in terms of deadlines and performance either because they weren't charging us any money. They simply weren't incentivised enough to build the app for our detailed specifications.

After this ordeal, the partners learned that they had to very accurately capture their entire customer ordering and processing procedure in flowcharts in order for the app developers to build a functional app. This time around, the partners took their time, involving Arooj in this process, who was meticulous with recording GP's standard operating procedures on paper. Once this was finished, at the start of 2018, GP hired a new tech company to build their app. This time, the company provided detailed flowcharts and SOPs of all of their processes along with technical specifications. The app was delivered to them in August 2018 and officially launched on September 18, 2018. In about a month after launch, as on October 13, 2018, 10-15% of the GP's appointments were being booked through the app while the rest were still routed through their website. The company also updated the front-end and back-end of their website, completely automating the process of order-taking, and gave the website a modern look at the same time. The company also availed the services of a UAE-based company called Evamp & Saanga and purchased a two-way SMS facility which allowed their beauticians to receive an automated SMS when a new appointment was assigned to a beautician via GP's automated back-end system.

Still, the launch of their front-end app and automated back-end system was not without its technical challenges. For instance, at times an SMS would not automatically be sent to the beautician after the order was assigned to them and the GP team would have to call the beautician manually to make sure she had received the order, which at times she had not. Many of GP's departments were also having problems with the app especially with erroneous accounting information and glitches in order-processing and confirmation. The partners were insistent; however, that these issues would be fixed over time and could only be ironed out once the app was actually in use.

According to Fareed:

I stand by the fact that our front-end application needed to be launched when it did. We could not wait for the perfect application. Only when the app is in operation can we fix the technical problems with the code, etc. And once our front-end application is working flawlessly, only then can we build a back-end application to directly interact with it, allowing us to gain entry into the realm of data mining and to gain the ability to scale as a tech-driven organisation.

Launching Men's Services

No major expansion in GP's product line had occurred since the launch of their make-up services for women in November 2016. Hence, the partners decided to undertake their first major product-line expansion by entering into a different market segment but leveraging the same core competencies. On August 20, 2018, GP finally launched at-home male grooming services in Lahore, offering hair-cutting and styling, shaving, manicure/pedicure, massage, as well as waxing. For this purpose, GP partnered with and trained male beauticians who would provide these services to men, utilising the same recruitment and training procedures as those for their female beauticians. Trials for men services were conducted in March 2018 with 50 male participants who were all related to at least one of the four partners. The formal training of their first cohort of male beauticians started in April 2018 with five beauticians all together. Till October 2018, it had been almost two months since the GP men services were launched but the response had not been very encouraging. There was only one appointment in two days, with massage services accounting for almost 80% of those appointments. The rest of the services were hardly used by men.

As Fareed pointed out:

It's been two months and men's services haven't picked up the way we had hoped. Men in Pakistan have significantly different grooming habits compared to women - they are far less experimental than women when it comes to their beauticians and barbers. For men, it's also probably not very inconvenient to leave their homes and go to a salon as compared to women. Also, it's difficult to compete with market price points for men's services. For example, they can get their hair cut done from a decent salon for as low as PKR 500; it is not easy to beat that price point using an at-home service!

While most of the female customers had been acquired through word-of-mouth and social media marketing, it was learned that men, on the contrary, tended to be highly secretive about their use of certain beauty services, such as facial, manicure/pedicure and waxing, due to feminine connotation generally associated with them. Rarely did they talk to other men about their experience of these services. The GP team was contemplating to enter into a B2B market for their men services, where they intended to seek a contractual arrangement with some large organisations offering them subsidised massage services for their male employees.

NEXT MOVE?

It was October 2018, and with the recent launch of their male grooming services in Lahore just behind them, the four partners were intrigued with the idea of deciding their next move. One major event that seemed to trigger this thought was the unexpected interest from a few investors, who seemed very keen to invest in GP. Nevertheless, this interest by the investor community was conditional to GP's expansion beyond Lahore and its ability to develop positive traction in those markets over the next six months or so. It meant for the four partners to take an expansion decision soon, in order to keep the emerging interest by the investors. With these investment propositions looming over, Mehvish had also become recently aware of some copycats which were popping up in the twin cities of Islamabad and Rawalpindi, that too with names very similar to GharPar, owing to the increasing popularity of GP's brand name on the social media and otherwise. So much so that one of those businesses was even found to have deceptively proclaimed on their social media page that "Gharpar has now arrived in Islamabad". Indeed, the surfacing of these similar businesses was a big cause of concern for the four partners, who feared losing their first-mover advantage and a potential foothold in markets other than Lahore.

Pondering over these ideas cum fears, a meeting on October 13, 2018, presented a very important debate amongst the four partners:

Shameelah said:

This is high time for our business. I think a great opportunity has presented itself in the form of this recent interest of the investors. It's been two years since we launched in Lahore and I believe we have done a remarkable job in this market. We now have a workable business model with us - look at the numbers, they are impressive! So, while we continue to expand further in Lahore, it's about time to move to Islamabad/Rawalpindi now, otherwise, we'll keep planning it forever. It's time to act!

Fareed said:

Shameelah, I do understand your excitement for scaling; you have always been the most gung-ho of all of us (said smilingly). I know that with this new investment coming in we will have enough capital to fund our expansion into the twin cities, but mind you once we launch, we'll be burning liquid capital for at least a year, which might erode our ability to ramp up our technology platform and marketing efforts in Lahore. We have not yet started investing much in marketing and it is a costly business. And you're forgetting about the logistical challenges of launching into a new market, given that all of us are based in Lahore. So, I am sceptical!

Mehvish expressed:

I get where you're coming from Fareed; however, I still agree with Shameelah. Our supply-side issues in Lahore aren't going away anytime soon. It's not smart to focus on just one market. We've seen interest from potential customers in Islamabad, so why can't we acquire those new customers while steadily growing in the Lahore market at the same time? I'm personally willing to shift to Islamabad and take charge of our operations there. I'm already concerned about a copycat company by the name of 'Ghar Pay' which is damaging our brand equity in the twin cities. Fareed, you remember, we seriously considered expanding to Islamabad 1.5 years ago as well, but you believed we didn't have enough capital to make this move back then and the idea was dropped. We must go this time!

Shameelah insisted:

Fareed, let me tell you, investors are not the kind of people who usually wait for too long before they lose interest in something.

Calmly listening to this whole discussion, Arooj commented:

I am glad to see that we're all still as passionate about this business as we were when we launched it two years ago. But now as we are discussing the future of our company, I just want to be sure that we all still know what GP is all about. People know GP as a company that acts professionally, giving them peace of mind and reliability in what they order, and they clearly don't like us when we fail to deliver that experience to them. On the other end, we have a mission – the mission to empower the marginalised individuals of the society, especially women, by turning them into someone who does not just have the capacity, but also a sizeable opportunity to live a financially independent life. So; however, we decide to move ahead we must always keep the purpose in mind.

Exhibit 1: Brief Profiles of GharPar's Four Founders

	Name: Shameelah Ismail
	Designation at Gharpar: Chief Executive Officer (CEO)
	Areas of Specialization: Beauty Industry, Management, Training
	Professional Background: Learning Alliance, Shelu Salon
	Name: Mehvish Arifeen
	Designation at Gharpar: Chief Operating Officer (COO)
	Areas of Specialization: Operations Management, HR, Quality Assurance
	Professional Background: Kashf Foundation, C.E.R.P.
	Name: Arooj Ismail
	Designation at Gharpar: Chief Marketing Officer (CMO)
	Areas of Specialization: Marketing, Technology
	Professional Background: The Coca Cola Export Corporation, British Council
	Name: Fareed Qureshi
	Designation at Gharpar: Chief Financial Officer (CFO)
	Areas of Specialization: Financial Management
	Professional Background: Boston Consulting Group

Source: Company Documents.

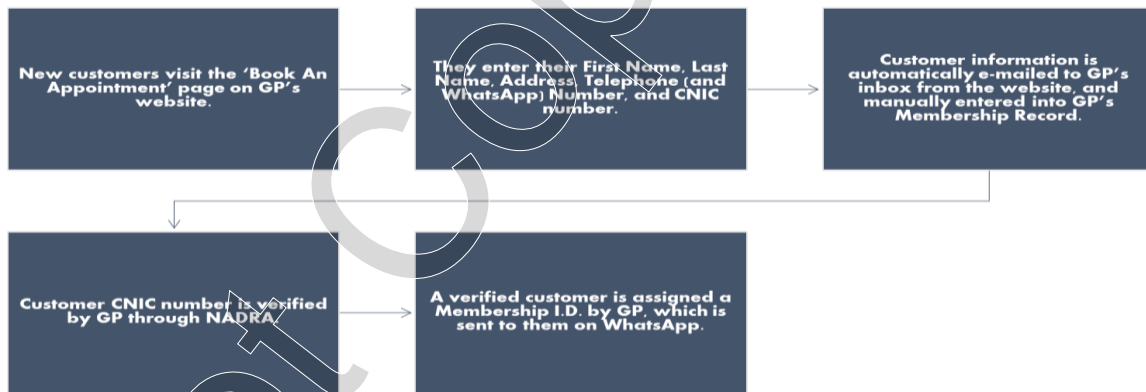
Exhibit 2: Price Comparison of High-End Women’s Salons in Lahore (For Select Services)

Service Offering	Average Price (PKR)		
	Depilex	Toni & Guy	Nabila’s
Manicure + Pedicure + Facial	1,200	4,000	4,000
Full Arms & Legs Wax	2,200	5,000	6,000
Hair Wash + Hair Cut + Blow dry	2,000	3,500	7,000
Hair Treatment	10,000	15,000	7,000
Hair Dye	7,000	9,000	10,000
Bridal Package	25,000+	45,000+	32,000+

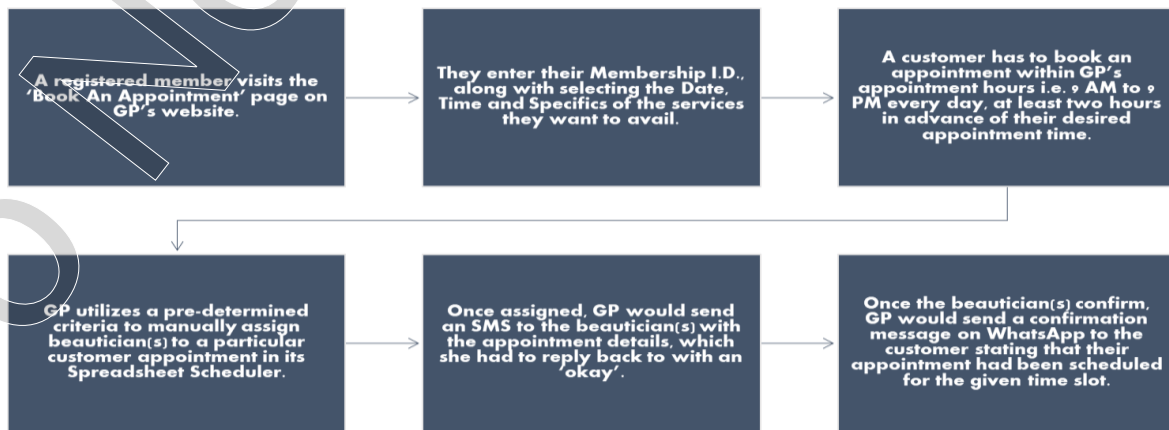
Source: Authors’ Notes.

Exhibit 3: GP’s Order Processing Flow at Launch

(a)



(b)



Source: Company Documents.

Exhibit 4: Pictures of GharPar’s Current Facebook Page and Website (p1 of 4)

GHARPAR Services Blog FAQ Contact Us Sign In Register

New Customer Special: 15% OFF on first beauty appointment on app download!

About us

GharPar is a social enterprise that provides timely, convenient and professional at-home beauty services to its female clients through a web and mobile based solution. GharPar’s services run the gamut from blowout, waxing, manicure, pedicure, facial, and massage. And that’s not all, GharPar also provides package deals that meet the demands of its clients.

GharPar is more than just your regular beauty app, it provides lucrative economic opportunities to women skilled in beauty services. At its core GharPar, enables these women to be self-sufficient and run their own independent at-home beauty services.

Our vigilant vetting process ensures that we take on board reliable beauty professionals. GharPar further up-skills the beauticians, who then provide clients high quality, timely and premium beauty services in the comfort of their homes.

Together, you and the GharPar team can make a difference in people’s lives all the while ensuring that you look your best anytime, anywhere!

What’s your mood today? Pick a service and get relaxed

Massage

Relax those nerves with a GharPar massage. All our masseuses come equipped with a massage table!

[More Info](#)

Nails

We offer a full mani pedi service, with file, shape, cuticle work, hand and foot scrub and massage

[More Info](#)

Makeup

Flawless makeup to make you look and feel your best. We bring everything you need!

[More Info](#)

Exhibit 4: Pictures of GharPar's Current Facebook Page and Website (p2 of 4)

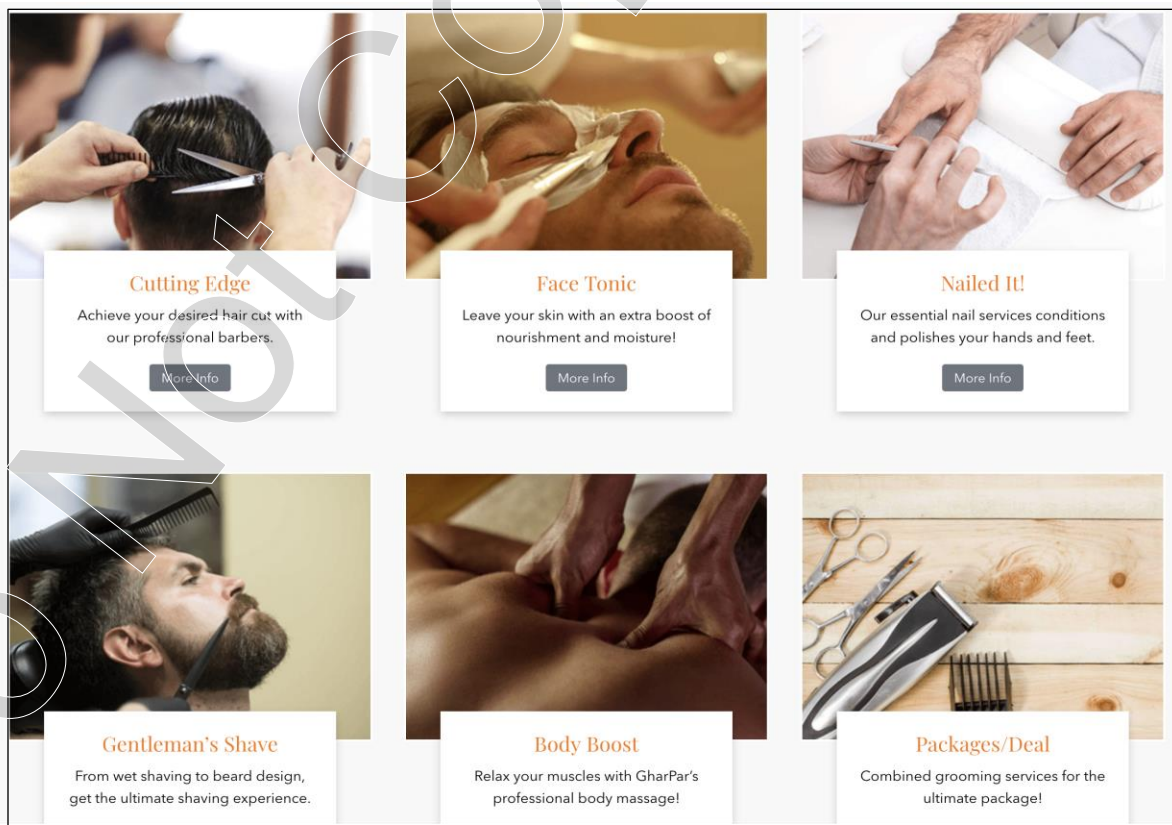
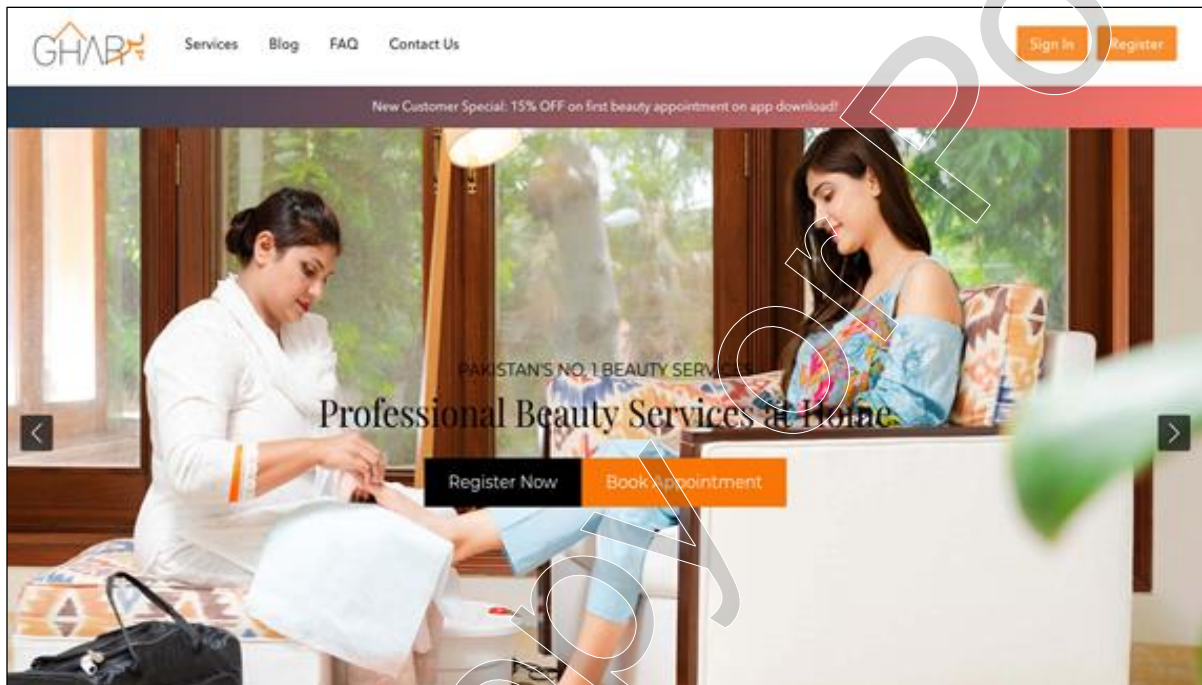


Exhibit 4: Pictures of GharPar’s Current Facebook Page and Website (p3 of 4)

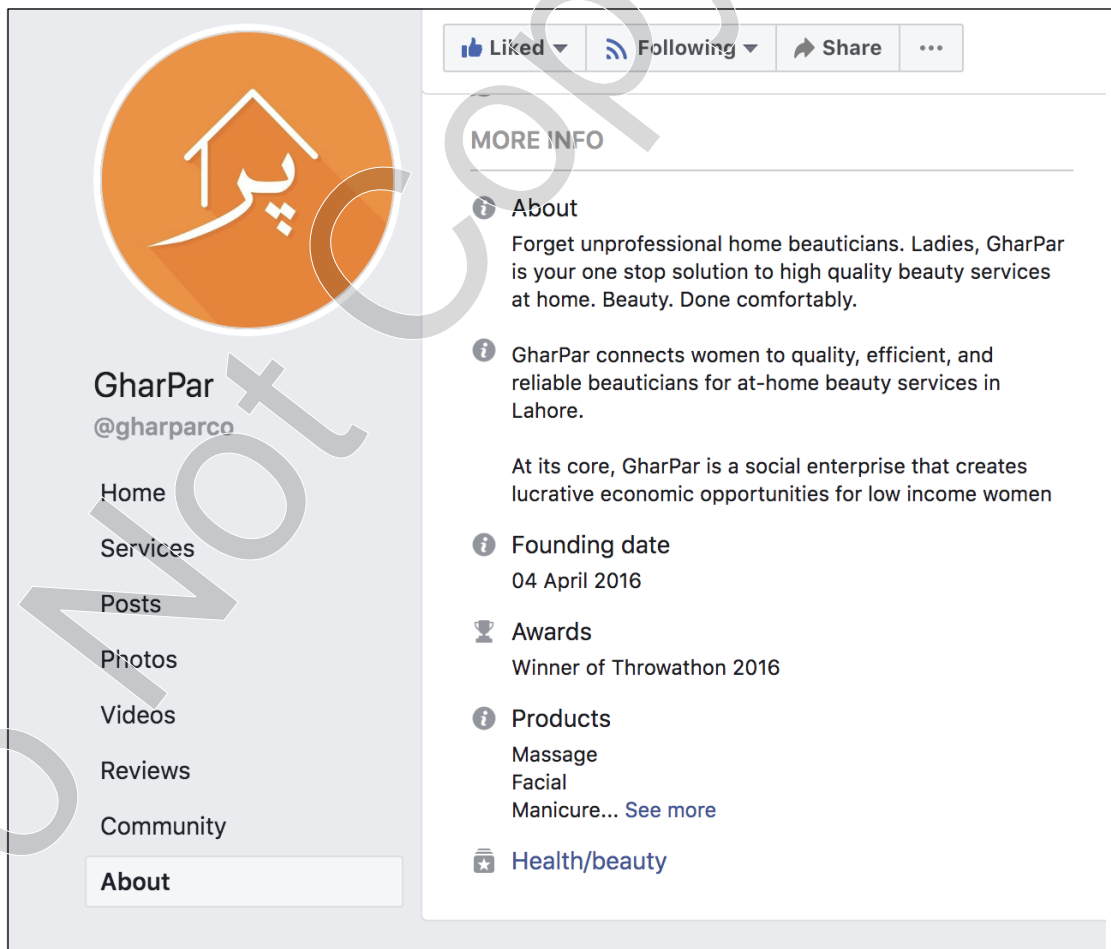
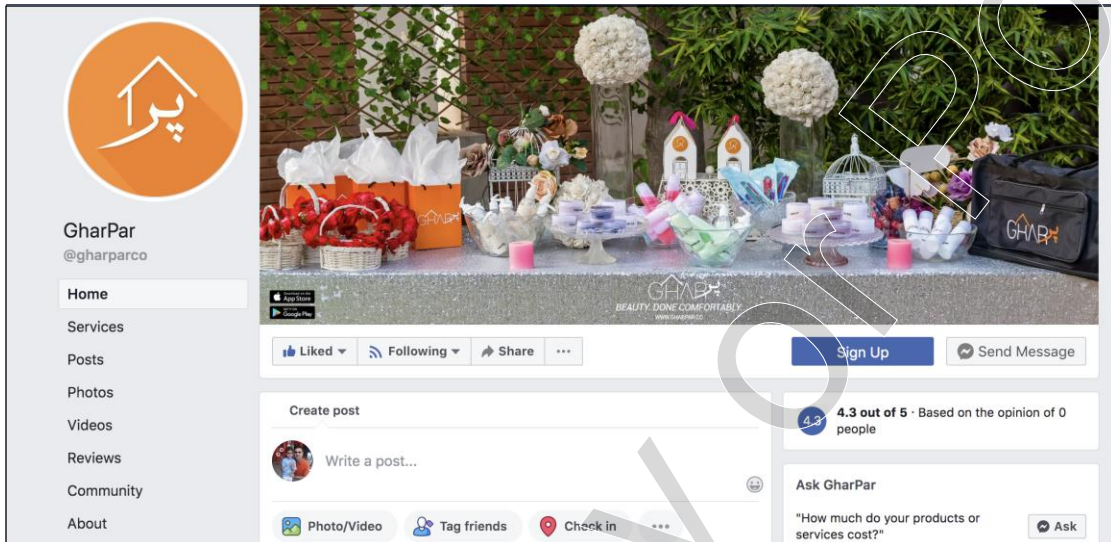


Exhibit 4: Pictures of GharPar's Current Facebook Page and Website (p4 of 4)



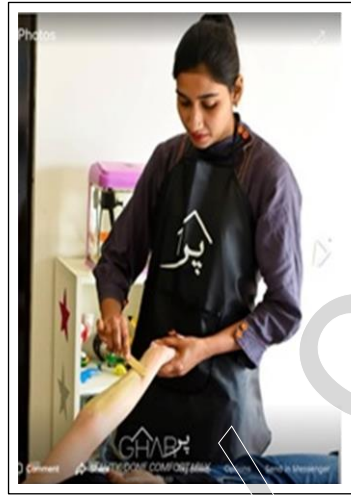
Source: Company Facebook Page and Website.

Exhibit 5: Price list of GP Services

	
Waxing	
Full body	Rs. 3200
Full legs + Full arms + Underarms + Bikini	Rs. 2400
Full legs + Full arms + Underarms	Rs. 1800
Half legs, Full arms + Underarms (Fruit)	Rs. 1350
Underarms + Full arms (Sugar)	Rs. 750
Facial	
DermaClear	Rs. 2200
DermaClear with Polisher	Rs. 2700
Thalgo	Rs. 3200
Thalgo with Polisher	Rs. 3700
Janssen Whitening Facial	Rs. 2500
Janssen with Polisher	Rs. 3000
Face Wax and Threading	
Eyebrows	Rs. 100
Upper lip	Rs. 100
Per Part	Rs. 100
Full Face	Rs. 750
Massage	
60 mins Full Body Massage	Rs. 1800
90 mins Full Body Massage	Rs. 2700
Hair	
Blowdry	Rs. 1000
Hair Cut Adult	Rs. 2200
Hair Cut Under 12	Rs. 1000
Adult trim upto 1 inch	Rs. 1500
Nails	
Classic Manicure	Rs. 800
Classic Pedicure	Rs. 800
Organic Manicure	Rs. 1000
Organic Pedicure	Rs. 1000
Classic Mani Pedi	Rs. 1400
Organic Mani Pedi	Rs. 1800
Root Touching (Upto 1 inch)	
Dye Application + Wash	Rs. 1200
L'Oréal Majirel + Wash + Simple blowdry	Rs. 2200
L'Oréal INOA + Wash + Simple blowdry	Rs. 2500
<i>*Prices will be doubled for Mani Pedi Combos</i>	
Body Scrub	
Nutty Almond Scrub	Rs. 1300
Ubtan Scrub	Rs. 1300
Signature Coffe Scrub	Rs. 1300
Makeup	
Soft Makeup without eyelashes + Blowdry	Rs. 1800
Soft Makeup + Hairstyle + Eyelashes	Rs. 2800
Eye Makeup without lashes	Rs. 1500
Eye Makeup with lashes	Rs. 2000
Party Makeup, Eyelashes, Nail Paint, without Hairstyle	Rs. 3500
Party Makeup, Eyelashes, Nail Paint, with Blowdry	Rs. 4000
Party Makeup, Eyelashes, Nail Paint with Hairstyle	Rs. 4500
Bridal Service Packages available upon request	
Complaints and Queries email : info@gharpar.co call: ++92-304-1114427	For Further Information visit: www.gharpar.co
 /gharparco  @ghar.par	

Source: Company Documents.

Exhibit 6: GP's Beauticians In-Training and At-Service

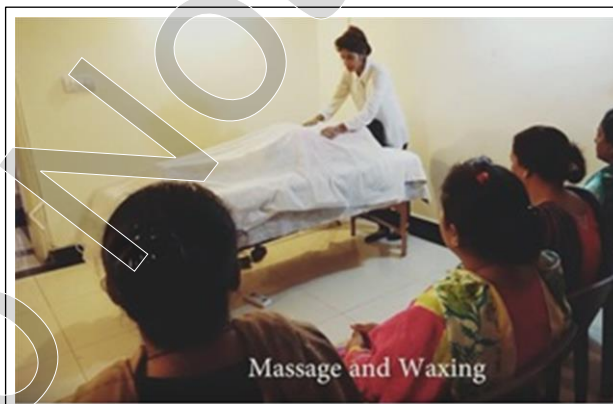


Shameelah, CEO of GP, training a cohort of beauticians about hygiene.



GharPar is in Lahore, Pakistan.
31 July · 🌍

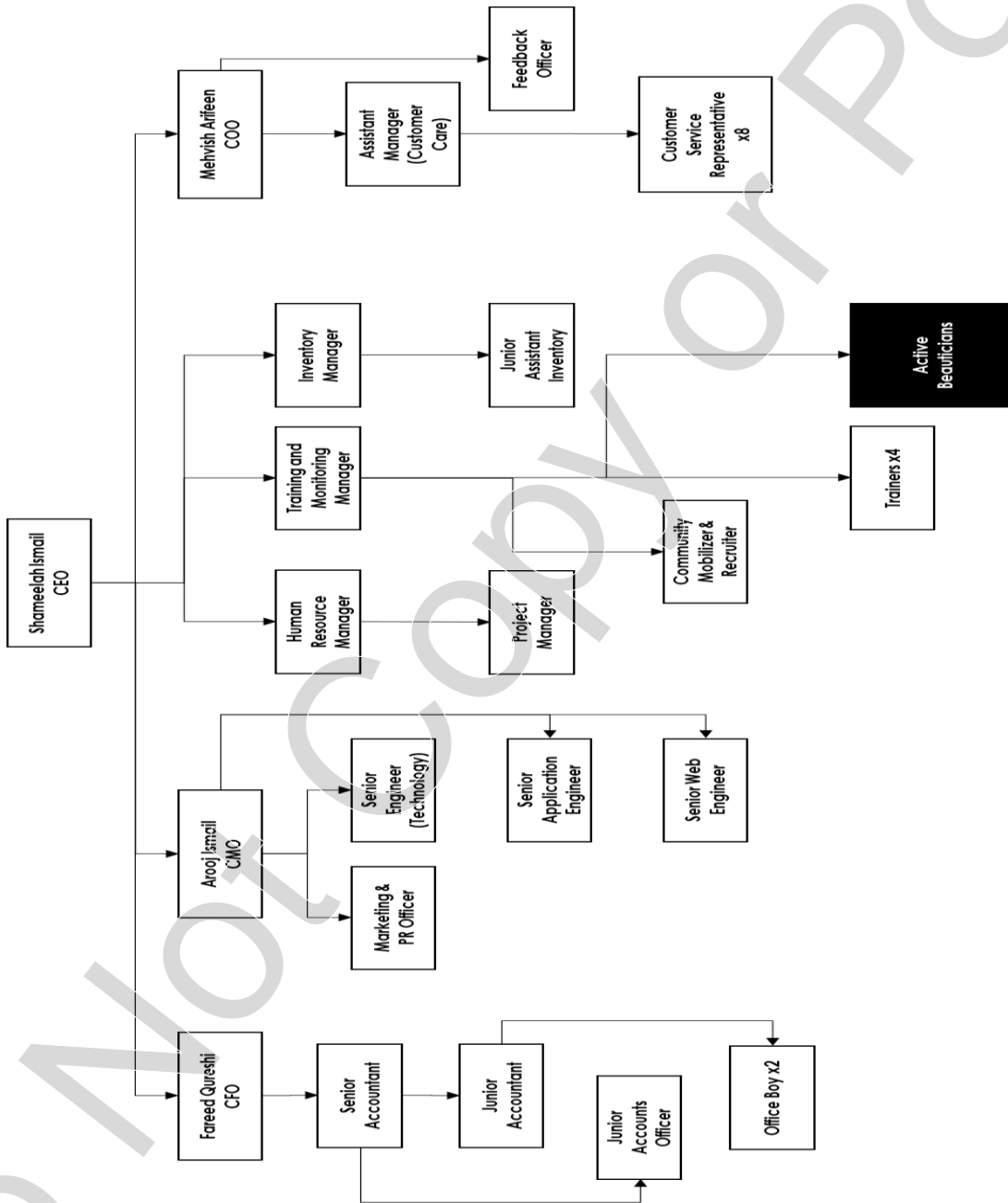
A huge congratulations and a massive hug of love and pride from the entire GharPar team to our star masseuse Anam for having saved up and bought a car for herself during her 2 years with GharPar! When starting GharPar we knew women's mobility in Pakistan was a huge issue. By enabling women from working class or lower households to move with greater freedom and in turn earn far greater amounts each month, GharPar is staying true to its commitment to empower women from the most... See more



In-house training of beauticians by trainers

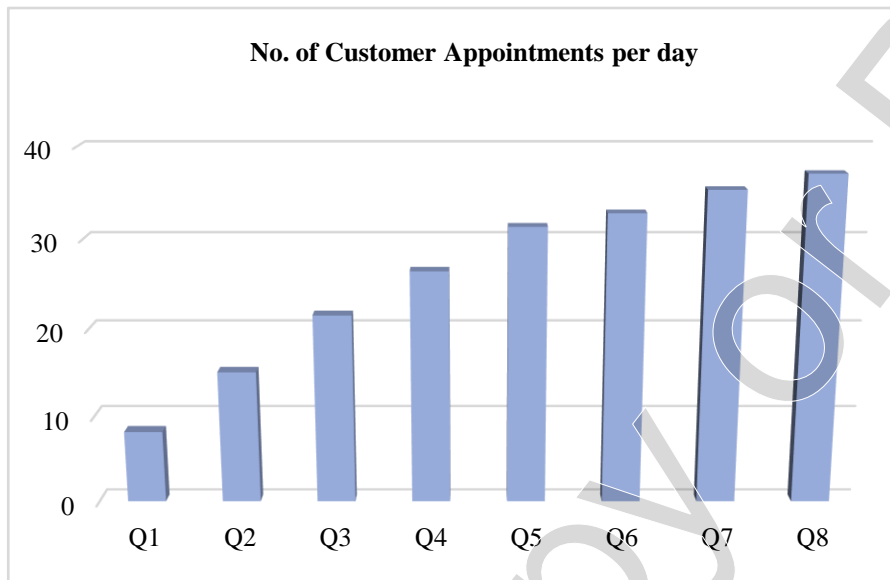
Source: Company Documents.

Exhibit 7: Organogram (as of September 2018)



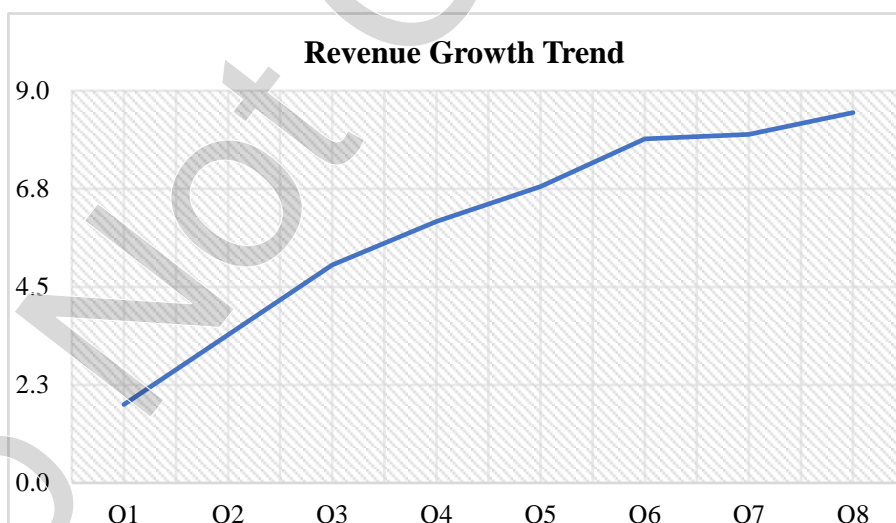
Source: Company Documents.

Exhibit 8: Quarterly Growth in Number of Customer Appointments per day, as of October 2018



Source: Company Documents.

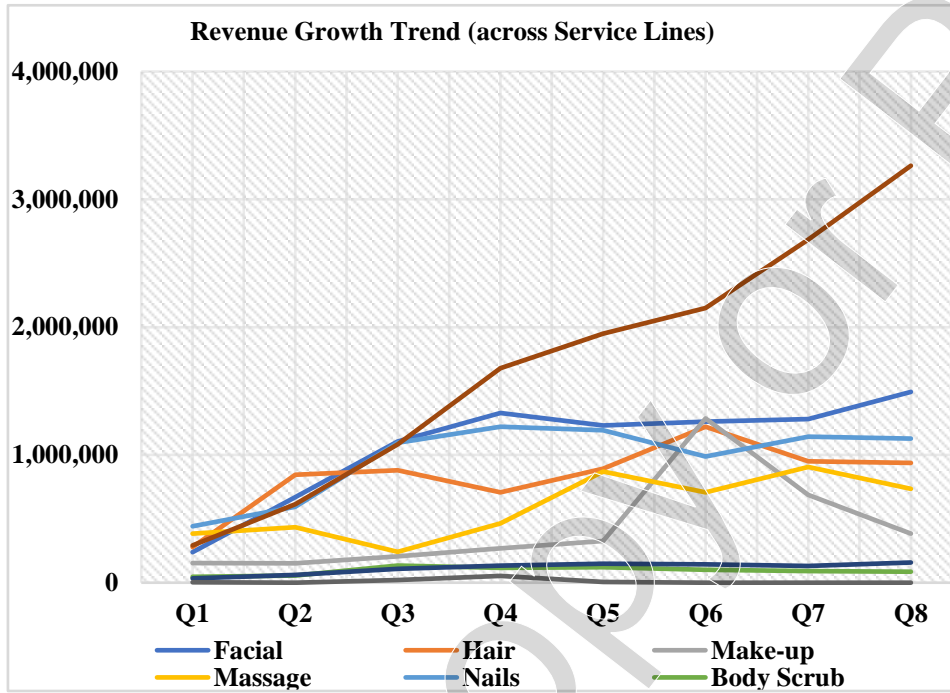
Exhibit 9: Quarterly Growth (trend, PKR Million*) in Sales Revenue for GharPar, as of October 2018



* Real numbers have been disguised at the company's request.

Source: Company Documents.

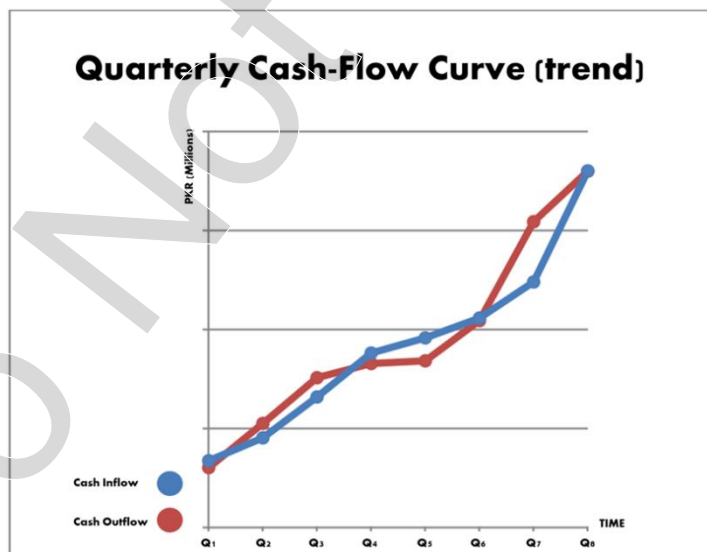
Exhibit 10: Quarterly Growth (trend, PKR*) in Sales Revenue across types of services, as of October 2018



* Real numbers have been disguised at the company's request.

Source: Company Documents

Exhibit 11: Cash flow Curve of GP, as on October 2018



Source: Company Documents

Exhibit 12: Pictures of Important Events in GharPar’s Timeline

The Gharpar team finishes as 2nd runner-up at the Pakistan Start-up Cup, 2016 & the winner of Throwathon first prize.



The Gharpar team appears on a popular TV show ‘Idea Croron Ka’ pitching to a group of investors



Source: Company Documents.

Exhibit 13: News Clippings Showcasing Gharpar's Increasing Prominence

The Nation, February 2018



Startup Guide Magazine, October 2018



Oxfam's Initiative #iwasthere, August 2019



Source: Company Archives.


Exhibit 14: Selected Customer Reviews from GP's Facebook Page (p1 of 3)

 **Hafsa Nafees** ★ recommends GharPar. ⋮
22 October 2018 · 🌐

Wow !! just wow !! i am so satisfied with the services efficiency timing quality hygiene everything was up to the mark !! thank u soooo much ghar par u guyz haf made life easy no parlour visiting and waiting issues anymore !! i m ur regular customer now !! keep it up !! thank u !! 😊

 **Maham Armaghan** reviewed GharPar – 5★ ⋮
3 June 2017 · 🌐

-love the services!! The women who come are always on time and never once did i have to leave the room to get something, pure relaxation time.
I've tried thalgo facial classic pedicure fruit wax and sugar wax loved everything. Gharpar is such a relief. Love what you guys have brought in the society!!

 **Eza Syed** reviewed GharPar – 5★ ⋮
27 April 2017 · 🌐

So professional and amazing. Hardly go to the salon anymore.

 **Baela Raza Jamil** reviewed GharPar – 5★ ⋮
22 April 2017 · 🌐

Awesome social enterprise with excellent service quality - so customer sensitive well done ! Hope you all go from good to great and hope millions of people understand the transformation you are bringing in the lives of so many women .. and their families .. Brilliant work!

 **Labeeba Younas** reviewed GharPar – 5★ ⋮
👑 Top contributor · 24 March 2017 · 🌐

This was the second time I used Gharpar service. And Oh my the swedish massage by lydia is to die for ! They are all so professional and punctual...I love Erum's pedi as well shes in no hurry while doing it and tells you exactly what shes about to do she used all sterilized tools and sanitized her hand before starting. Hats off to Gharpar service for us busy moms who have no time and stamina for salons! 💎💎💎

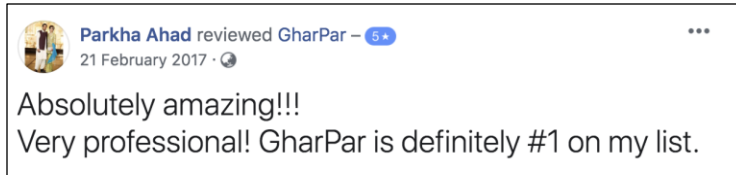

Exhibit 14: Selected Customer Reviews from GP's Facebook Page (p2 of 3)





Exhibit 14: Selected Customer Reviews from GP's Facebook Page (p3 of 3)

 **Sadia Syed**  doesn't recommend GharPar. 
24 March · 





Waste of money and time...booked them for 3pm, one beautician arrived on time and wasn't really satisfied with her work.
Second didn't arrive at 3pm and even at 6pm these guys couldn't confirm me if she will be coming or not, rather I was contacting them again and again to tell me a final verdict but they were in confusion.. Aweful experience


 **Mishaal Arshad Chohan**  doesn't recommend GharPar. 
20 November 2018 · 

I used this service a couple of times. Very unprofessional.
the ladies that come to my house always have less products/ services than I've asked for but the always take the full amount. I never complain. I was cmgoing to complain even this time when the lady that come literally burnt my entire face even when i kept asking her to take of the polishes. it made me feel she came with a mission to burn my face. I called ghar par many times to complain and make them aware of it. they always said they will call back but they never did.
PLEASE NEVER USE THIS SERIVES. I WILL WRITE ON OTHER PLATFORMS ALSO AS SKIN ESP FACIAL SKIN IS VEEY IMPORTANT.

 **Syed Zeeshan Haider**  doesn't recommend GharPar. 
27 December 2018 · 

Want to meet the "UNPROFESSIONALS" ???
I present Ghar Par. Never ever trust them with important days of ur life where u need to trust someone as they have ur back. Instead of providing backup they'll tell u at very last moment "WE ARE SORRY" we cannot facilitate.
[#Ruined](#) [#NeverTrust](#) [#UNPROFESSIONAL](#) [#LieLikeTrump](#)

 **Shazia Ameen**  doesn't recommend GharPar. 
28 December 2018 · 

GharPar is a highly UNPROFESSIONAL service provider. Their moto is to facilitate at home for beauty services for which they even don't have professionals. Best in ruining your special day and pro in making false bookings and step back right on the day. My sister made a terrible mistake choosing them for her important day and after several confirmations they cancelled on 11th hour. Instead of providing backup they refused to facilitate.
The CEO should windup and actually sit at Gharpar ... 

Source: Company's Facebook Page.



GHARPAR: THE LEAN BEAUTY START-UP *THE TWIN CITIES EXPANSION (B)*

Finally, on November 30, 2018, more than two years after the launch of GP in Lahore, the four partners brought GP's women's services to the capital city of Islamabad. To effectively manage the on-the-ground operations in this region, Mehvish shifted to the company's new headquarters in Sector F-10 in Islamabad in order to personally oversee the company's first major geographical expansion.

OPERATIONAL DYNAMICS IN A NEW MARKET

To meet their launch on November 30, 2018, for the Islamabad market, the partners recruited four beauticians through referrals and trained them to support the entire slate of service offerings at launch. The beauticians were equally split between Muslim and Christian women; a stark difference from the Lahore market, owing to substantial variations in the mindset of the lower-income class between these two markets. Specifically, the two Muslim women who had been recruited from a residential cluster near Rawalpindi with much difficulty, as Muslims in this region were far more conservative than those in Lahore. On the other hand, the two Christian women had been recruited from a residential cluster near Islamabad with equal difficulty, as Christians in this region were far more interested in being employed by foreign expats in Islamabad as highly paid domestic workers, with various in-kind benefits such as free meals, lodging, and medical care.

As Mehvish stated:

Women from the lower-income class in the twin cities, especially Islamabad, have such high-minded and unrealistic expectations of how luxurious their lives should be, that it is almost impossible to recruit them by promising economic independence. They live in this fantasy where a wealthy expat will one day employ them and look after their family, although most of them are unemployed. It's so ridiculous!

As such, apart from the four initial beauticians recruited through referrals, subsequent recruitment efforts had proven difficult, as no new beautician joined the GP platform in the twin cities for the first six months after launch.

Moreover, although the company offered its entire slate of women's services at launch on November 30, 2018, in effect GP was only operating in a few sectors [F-6 to F-10] of Islamabad during the first month of operations. After a relatively slower *Shaadi* [wedding] season than expected. The company then opened up to the entirety of Islamabad in January 2019 and expanded into Rawalpindi in March 2019, three months after the Islamabad launch. However, offering their services to the entirety of the twin cities market, with only four beauticians at the back-end, proved to be a significant challenge. As Mehvish stated, "Our beauticians in Islamabad and Rawalpindi just don't work as hard as our beauticians in Lahore. I have to call them up and try to convince them to take additional customer orders when it should be the other way around! I'm losing sleep over this every day." Additionally, while the partners' limited market research had suggested that the majority of their customer

This case was written by Dr Muhammad Shehryar Shahid, Research Associate Saad Raafay Ahsen and Dr Muhammad Adeel Zaffar at the Lahore University of Management Sciences to serve as basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation. This material may not be quoted, photocopied or reproduced in any form without the prior written consent of the Lahore University of Management Sciences.

demand existed in Islamabad, once they had rented and set up their headquarters in the relatively expensive Sector F-10 and launched in the city, the reality was quite different. During the first three months, a larger number of customer orders originated from Rawalpindi than from Islamabad, even though the company hadn't formally launched in Rawalpindi yet. Owing to the large distance [~15 km] between Islamabad and Rawalpindi, managing customer orders in Rawalpindi through the headquarters in Islamabad proved to be inefficient.

As Mehvish stated:

There is no point in considering Islamabad and Rawalpindi as one city as many people do because they're geographically widespread enough to be considered distinct markets. We're finally launching a satellite hub in Rawalpindi now, six months after our initial Islamabad launch, to manage the area's operations, but this step should have been taken from the beginning.

Furthermore, customer acquisition proved to be a significant challenge in the twin cities market, as Shameelah stated:

We've had difficulties with acquiring new customers in Islamabad. Perhaps this is due to the fact that a larger proportion of women in Islamabad prefer going out to salons as part of their socializing or social activities as compared to Lahore. The nature of city life is much more outgoing. In that sense, even Rawalpindi is slightly better than Islamabad because women stay at home more often. Although I can't say that we have had explosive demand from Rawalpindi either; nothing close to Lahore at least.

HURDLES TOWARDS ACHIEVING FINANCIAL HEALTH

The company had a similar commission-based model in place in the twin cities as it did in Lahore, with 60% of revenue from a customer appointment went to the beautician and the remaining 40% went to GP. The processing of payments was automated through the Sim-Sim Mobile Wallet, with fortnightly payroll, once deductions were made for toolkit instalments, product purchases, and penalties. The beauticians only had to visit the HQ for the initial training and to purchase new product(s) to use during the service. In the same vein as Lahore, customer order processing was completely automated through the website and mobile application and beauticians were automatically assigned to customer orders. However, given all of these facilities, challenges surrounding the utilisation of beauticians had emerged even more significantly in this market than in Lahore. Manual assignment of customer orders to beauticians [who were available and willing to take up the order] would often take precedence over the formal criteria for assigning orders.

Moreover, the company handled an average of three customer appointments per day over its first six months in this region, with days in between where there were no customer appointments at all. 30% of these originated from Islamabad, and 70% were from Rawalpindi. Sales revenue increased slightly by an average of 10% over the first six months, although there were months in between where there was a dip in sales revenue as well. Moreover, after six months in operation in the twin cities' region, the cash-flow status of the company remained negative, with cash outflows exceeding cash inflows at the end of May 2019.

POST-LAUNCH REFLECTIONS

As the partners sat down after six months to discuss how the twin cities' expansion had unfolded, a sense of cautious contentment prevailed overall, coupled with a drive to meet emerging challenges head-on.

Fareed expressed:

I know we've had a slow start in the twin cities market but I can see early signs of growth, which look promising. If you ask me, this expansion took place at the right time for our company. If I had to do it all over again in the same way, I would!

Mehvish, on the other hand, was more reserved and expressed:

I agree that we could not have delayed the expansion further, especially because of copycats. I take a lot of pride in the fact that the legal action we took against our copycat in Islamabad was successful, and they have been forced to change their business model and retreat for the time being due to our presence in this market. But still, I can't ignore the significant operational challenges we've faced, and are still trying to sort out. It hasn't been smooth sailing.

Arooj elaborated on Mehvish's point:

We launched in Islamabad based on an assumption of customer demand for which we had taken social media inquiries and interest from the city as a proxy. However, now I believe that more specific market research was required, which would have allowed us to reduce our logistical and operational challenges. As it stood, we basically replicated the Lahore blueprint onto Islamabad by launching our entire slate of beauty services for women and opening up the entire city too quickly. In retrospect, we might have 'phased out' our launch, by targeting specific services to specific localities where there was a greater demand for them.

Still, despite the challenges and hurdles which lay ahead, the partners were more energetic than ever about making the twin cities expansion a success. As Shameelah aptly put it:

This is just the beginning for us. We have a lot more in the works. We're thinking of tackling the rest of the G.T. road belt soon, starting with Faisalabad, and moving to Sialkot and Gujranwala. We're as determined as ever to make GharPar a household name, and we won't stop until we succeed!



JBNJAWS PRODUCTIONS: DECODING THE ENTREPRENEURIAL DNA

INTRODUCTION

It was on a quiet, chilly morning, in the last month of a truly memorable 2016, that Jahanzaib Shafique (JB) and Sarfaraz Khan Niazi found themselves having tea in their company's boardroom, in the early hours of the day when the office was relatively empty. Having founded one of Pakistan's premier marketing support agencies, JBNJAWS Productions, along with its spinoff Cartel, the partners were still amazed at all their success, despite the many hurdles they had faced thus far. As their conversation progressed, Sarfaraz's gaze fell upon a newspaper clipping framed on the boardroom wall; an article highlighting the very first concert he had organized with JB. Memories of that time started flooding Sarfaraz's mind, as he drew JB's attention towards the same newspaper clipping. Reminiscing soon turned into reflection, as the partners (whose profiles are highlighted in **Exhibit 1**) started recalling their extraordinary journey up till now.

JBNJAWS Productions, formed as a partnership between JB and Sarfaraz in 2006, had quickly risen to become one of Pakistan's most sought after event planning and brand activation agencies. Along with its spinoff Cartel, which was involved in public relations (PR), media and creative services, as well as talent management, the company maintained an impressive clientele of big brands (as shown in **Exhibit 2**), including Coke, Servis, Huawei and Samsung. The company had over time diversified into eight different revenue streams (as shown in **Exhibit 3**) and had seen steep increases in revenue in the last two years (as highlighted in **Exhibit 4**), which had been their most successful year to date.

The company operated in a competitive space, with Catwalk Productions, J&S Events and Eventment being its three main competitors. However, the company had maintained a strong competitive edge, in that, every event they organised, even for the same client, was unique in terms of its components and design. As these events had different briefs, different agendas and different audiences. JBNJAWS Productions did not repeat old formulas instead came up with new proposals tailored to the requirements of each client and each new event. As a result of this, since 2016, their main competitors, who did not even consider JBNJAWS Productions a threat a few years ago, were losing most of their clients to the company.

As Sarfaraz states:

We've been very lucky. Of course, it's not all luck. Social capital is very important in this industry. But even more than that, it is our team that matters. Without this team in place, we wouldn't be half as successful as we are!

The partners believed that their team of eighteen people should be invested in the success of the company, and paid attention to aspects such as employee care, working hours, and organisational culture. As JB states:

We've tried our best to keep our employees happy. We regularly organise outings and recreational activities. If a particular employee has ambitions to work with certain clients, we

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make that happen. We make sure everyone is growing, from the kitchen staff to the more senior employees. The growth never stops. I think we've been quite successful; our employees have really stuck around.

Of course, this industry was not without its challenges. Firstly, for most projects in the event management industry of Pakistan, competitive bidding was involved, and proposals were judged on merit and not on a particular company's social contacts, which had often worked out in JBnJAWS Productions' favour. Once retained; however, clients would only stick around as long as the company continued to deliver high-quality services, which was a subjective criterion, i.e., different for different clients, and difficult to get right. Secondly, the partners had to be careful which projects to bid for and accept, as most income streams came in after a particular event had concluded and the company had to mobilise and distribute resources for putting events together on its own. Thus, if they took on too many projects too quickly, the partners would run the risk of cash flow problems, putting all their projects at risk.

The partners were not strangers to challenges; however, as evidenced by their individual stories and the manner in which they had raised a small event management start-up to one of the country's premier marketing support agencies. The timeline for their journey so far is highlighted in **Exhibit 5**.

JAHANZAIB SHAFIQUE (AKA JB): A BORN ENTREPRENEUR

Jahanzaib Shafique, more famously known as JB to the world, was the oldest of four siblings in a family of high achievers. His father was a businessman and worked in the export industry of Pakistan as a supplier of the printed material, such as sports packaging and catalogues. While their father did quite well for himself in terms of monetary gains, JB's siblings had ambitions of their own, which they worked very hard to fulfill; his youngest sister, for example, was a LUMS scholar, while the middle sister was a fast rising doctor and his brother was a chartered accountant working at PricewaterhouseCoopers (PwC), Pakistan.

Growing up surrounded by such ambitious individuals, it was no surprise that JB was quite a studious young man. Having chosen to focus on academics and was on a scholarship in school up until the tenth grade, JB started feeling socially isolated during his 'O' Levels.

As he states:

My family was so overprotective, I hadn't even attended a single concert before tenth grade. I was a high achiever and my only identity seemed to be that of a good student. I wanted to change that! I wanted to discover what I want to do in life! So I started exploring and experimenting more with life.

Consequently, much of JB's school life from eighth to eleventh grade was spent trying to find his forte outside of academics. However, much to his surprise, he seemed to excel at anything he put his mind to. He started dabbling in Computer Science as a hobby and within a year, he was the president of his school's IT Club. Moreover, despite being a non-science student in academics, he wanted to understand the principles of engineering and started building circuits on his own. Soon, he found himself automating minor household items and winning engineering competitions.

JB's First Entrepreneurial Venture

Exploring numerous different directions between the eighth grade and eleventh grade at school, JB realized that web development and design was something that really excited him. This became the focus of his first business venture and the start of an entrepreneurial feat that has continued to date. Towards the end of his eighth grade at school, JB, simply out of curiosity, started taking online tutorials on web development and graphic designing and learned how to make his own website, as these were some of the latest trends at the time amongst the youth. While trying his hands on different design tools, such as Adobe Photoshop, with the aid of the graphic designers at his father's printing press, he realized that clients online were willing to pay for his services in this field. Hence, he

started advertising for his services on the internet in his free time while continuing with the normal rhythms of his academic life on the side. Even though his interest in web development and design was born out of a quest for knowledge and the desire to stay ahead of his fellow classmates who were also developing websites, he ended up getting paid Rs20,000 - Rs30,000¹ per project for his endeavours using these design tools. This is how JB stumbled onto his first business venture, as he had never imagined that, for a young schoolboy like him, anything would ever turn into a healthy income and helped him discover his entrepreneurial flair.

JB's First Business Partnership

While JB continued to explore different avenues on his own during his time at school, it was in tenth grade that he found his first business partner, Mohsin Mirza. As he approached the tenth grade in school, JB slowly came out of his shell and began socialising. Previously, his social circle had been restricted to his classmates. However, as a result of participating in different inter-school events and competitions, JB's social circle expanded. He met Mohsin, who was from a different school, completely by chance through a mutual friend. As Mohsin was part of his own school's student council, he proposed that JB and he should work together to organise a school concert. JB found the idea exciting. Thus, they decided to partner up for this venture.

As JB remembered:

I was an introvert and he (Mohsin) was more of an extrovert. I was the behind-the-scenes guy, working on my computer and things like that, while he was more of an in-your-face kind of person. He was loud, his personality was very outgoing... We fit together well.

Mohsin, given his skills, looked after marketing and PR, as well as sponsorships and the school administration. JB, on the other hand, worked at the back end and looked after the creative works, design, promotions and also ticket sales. The name "JB Productions" was also formulated during this time for the first time as a means of identifying this venture during the printing phase of the tickets and promotional material for the concert. Interestingly, it was Mohsin who spontaneously suggested the name; JB had no objections to it.

As JB smilingly recalled:

We never thought about the name as such. We just wanted something to put on the tickets and came up with JB Productions a night before the tickets were sent for printing.

Hence, the first concert under the name of JB Productions took place on January 14, 2004, at Lahore Grammar School, Johar Town and was a resounding success. This was between the end of JB's eleventh grade and the start of his A-Levels. While the partners hardly managed to break even their financial cost for the concert, they did manage to gain a lot of goodwill, becoming the youngest people to organise such an event in Lahore at that time. They became trendsetters and were featured by the Sunday Times Magazine as "The New Thing in Town" as shown in **Exhibit 6**.

At this time, JB continued to work on web development and design on the sidelines. As the partners could not afford a videographer or video editor for their concert, JB shot and edited the video himself. As luck would have it, the video got noticed by clients needing similar promotional videos and soon JB was getting approached intermittently by clients for such jobs. One client paid him Rs100,000² for a web development job, which was indeed a lot of money for JB at that time.

¹ During 2002, the average exchange rate for the Euro to the Pakistani Rupees was 56.32. Source: www.sbp.org.pk/ecodata/ibf_arch.xls, accessed December 2016.

² During 2004, the average exchange rate for the Euro to the Pakistani Rupees was 72.63. Source: www.sbp.org.pk/ecodata/ibf_arch.xls, accessed December 2016.

As he reminisced:

Imagine a fifteen-year-old kid having just earned Rs100,000. I was over the moon with excitement! I'd never seen this much money before in my life.

After exploring many different avenues in the preceding years, JB's interests gradually started veering towards event management. He had started to develop a taste for music and had started attending many different concerts during this time as he expanded his social circle. He also felt that event management allowed him to effectively use the many extracurricular skills he had learned in his school days, such as graphic designing, automation, and the technical expertise needed to organise an event that involved layout designing and the structural placement of things. Luckily, JB's family was, generally, supportive of his entrepreneurial activities, although they were still concerned about the 'types of people' he would be dealing with in the event management industry and the influence that it might have on the personality of their teenage son. More importantly, akin to typical parents and given that JB had been a shining student for most of his schooling career, they were fearful of the potential impact that his engagement in business activities would have on his academics.

Still, as expressed below by JB, they never resisted him for exploring his interests and following through on his ventures:

My father himself being a businessman, never stopped me from trying such things; rather my parents were quite encouraging. However, like all parents, they clearly had certain 'fears' about me taking an unusual path; though they never explicitly expressed it but I could sense it... But you know in entrepreneurship nothing can ever satisfy the fears of your parents or the criticism of people around you, except perhaps the outcome of your venture. The day you start making money, they will be on your side.

The major hurdle during this period didn't come from any outside forces, rather from the essence of the partnership itself. The name "JB Productions" became a source of conflict between the two partners, as Mohsin felt he was getting less credit due to not being included in the name of their venture. While JB did suggest they change the name, Mohsin felt it was too late and the situation worsened over time. Consequently, Mohsin started a new event management firm with another partner under a different name without the consent of JB. That partnership also did not work out for him. As a result, Mohsin was forced by his parents to quit event management and rather focus on his studies owing to his bad grades in A-levels. Given that there was no legal partnership contract between JB and Mohsin, the name JB Productions simply became dormant by the end of 2005 after the dissolution of the partnership. Overall, during the short span of their partnership, JB and Mohsin organised a total of four school concerts; they broke even the first time but made Rs30,000, Rs100,000 and Rs150,000³ from the next three concerts respectively.

LUMS: A New Chapter for JB

The year 2005 marked the beginning of a new chapter in JB's life, as he joined the Lahore University of Management Sciences (LUMS) in September 2005. He selected Economics as his major. He felt that "*...students with an economics degree, experiment in life more, when it comes to things like entrepreneurship and starting a new business...*" He also believed that an economics graduate had more career options, e.g., banking, NGOs, start-ups, than other majors at LUMS. Throughout his four-year at LUMS, JB kept his entrepreneurial spirit alive and forayed into different business ventures, with varying degrees of success.

Creative HQ: Taking Entrepreneurship Seriously

After the failure of his first partnership, JB took a formal approach to entrepreneurship. He set up a creative agency in July 2005, in partnership with two other people. The agency was called "Creative HQ" and its purpose

³ In 2004 to 2005, the average exchange rate for the Euro to the Pakistani Rupees was 73.40. Source: www.sbp.org.pk/ecodata/ibf_arch.xls, accessed December 2016.

was to be a design house, as well as a web development solutions platform. JB had met the two partners, Fatima Atif and Salman Tanveer, through common friends.

JB looked back on that partnership:

...at the time, while my social circle had expanded, I needed partners who would help me on the business development side of things, as I didn't have the sort of connections in my family that were required in starting a business. I could take care of the substantive work of the agency but needed help elsewhere.

JB had only known Fatima for a short while but found her to be very passionate about work in general. She was particularly good at networking and had a large social circle, which she wanted to lend to this venture. In fact, it was Fatima who suggested that her friend Salman join them as a third partner. Owing to Salman's well-known family, he had numerous industrial contacts in Faisalabad and Sialkot. Fatima recognized that he could bring in large industrial clients for the agency. Thus, the partnership was solidified between JB, Fatima and Salman, with the latter two looking after business development and client prospecting, while JB, as usual, handled the operational side of the business at the agency's office.

The partners set up their office in K-Block, DHA, Lahore, and hired ten-twelve people, including designers and content writers. Each partner made an initial investment of Rs250,000, which covered the running expenses and salaries for three months. As he was managing the entire office on his own, JB had to juggle his classes at LUMS with Creative HQ's work assignments and operational tasks. Unfortunately, despite his best efforts, cracks soon started to appear in the functioning of Creative HQ.

As he stated:

...so much had to get done, there was an entire office with various people who had to be managed, so this often took priority over LUMS. My class participation and attendance was way below average, I would often miss surprise quizzes.

JB could clearly see that Fatima and Salman were not as committed to the agency as he personally was and were not taking this venture seriously. For instance, Fatima would usually come to the office while JB was there, and disappear many times during the day with no explanation. She was also unable to carry out effective business development for the agency. On the other hand, Salman, labelled as "investor boy" by JB, came to work for a total of ten days in six months. Salman had initially managed to obtain Rs 1 million from his parents to invest in the business, although he only needed to invest Rs250,000. However, it soon became clear that his main motive for joining Creative HQ was actually an excuse to extract some money from his wealthy family that was used by him for some unknown affairs. Even the few business contacts he did forward to JB never panned out or converted into sales. Consequently, the business was led into a financial crunch despite JB's extraordinary efforts and planning.

According to JB:

We were breaking even but the gap between revenues and expenses was getting bigger, as the areas of work we had identified at the beginning were not proving profitable. We tried to switch to software development, which is more profitable, but it also required higher HR cost, which led to more expenses. I was covering the entire loss by myself, and I pressured Salman and Fatima to at least help cover the loss with me, as they weren't even giving the agency any time; it was a double negative for me.

Creative HQ was in loss for four consecutive months since its existence while the design business was profitable; the whopping deficit from the web development side was too big to handle. Following October 2006, Fatima and Salman hardly ever came to work despite JB's repeated attempts to send them legal notices, which led him to

terminate their partnership by December 2006. There was a division of assets between the partners; however, JB retained the rights to the name Creative HQ.

Rebranding Creative HQ: A Vendor for LUMS

After the departure of Fatima and Salman, Creative HQ found new life. Disappointed from yet another partnership experience, JB decided to register Creative HQ as a vendor at LUMS for works related to graphic designing and printing in the hope of recovering some of his financial deficit. The groundwork for this was set in the first quarter of 2006, when a friend of JB from the LUMS Arts Society asked him to get banners and standees printed for the society's event, having heard about his father's printing business. JB easily outsourced the work and earned some money for his efforts. A week later, the same friend gave JB a second order which was five times larger than the first one. As the payment was bigger, JB had to have it processed from the LUMS Procurement Office and used the name 'Creative HQ' for this vendor registration process.

Under the umbrella of Creative HQ, JB also organised a moot court for the LUMS Law and Politics Society and arranged set-ups for the LCAT Exam. As his work expanded, a steady revenue began to stream in. Around the same time, while JB was studying at LUMS he was contacted by some of his schoolmates from the time he used to organise concerts under the name of 'JB Productions'. They asked him to arrange for sound, light and similar requirements for some of their upcoming events that they were planning for various schools. It occurred to JB that similar services must also be required within LUMS where he could arrange for sound, light and other auxiliary services on certain events, expanding the portfolio of Creative HQ beyond printing and graphic designing. Luckily, his first customer in this regard was the LUMS Entrepreneurship Society (LES), who hired Creative HQ to arrange the basic sound and light requirements, as well as the set-up and branding for their flagship event in January 2007, the LUMS Young Leaders and Entrepreneurs Summit (YLES), it turned out to be a big success.

After the YLES event, there was no turning back. At one point, out of the fifty student societies at LUMS, JB was doing work for thirty of them, be it the Music Society, Chess Society or the LUMS Religious Society. In addition to these, he was also working with twelve to fifteen departments at LUMS, including the Marketing Department, Economics Department, Law Department, and the Rausing Executive Development Center (REDC). JB's physical presence on the LUMS campus was a great advantage point for him and his clients.

As he recalled:

They would call me and say we have some work, come outside PDC (Pepsi Dining Center). I would go, they would explain what they wanted done, and it got done. Simple.

As a result of this venture, JB became financially independent when he was still a student at LUMS and paid for the next three years of his LUMS education out of his own pocket; never taking any money from his parents, except in the first year. He estimated at the time that his payout at the end of the first year of these activities was three times more than the average salary of a LUMS graduate at that time. Thus, JB had achieved financial independence a lot sooner than most people his age.

SARFARAZ KHAN NIAZI: A RESOLUTE ARTIST

Sarfraz Khan Niazi grew up in a small, closely knit family in Lahore. His grandfather had migrated from Hoshiarpur, India to Sahiwal many years ago and had acquired some land. However, he passed away soon after and Sarfraz's father became head of the family at a very young age. Although highly educated, having studied at the London School of Economics, his father struggled throughout his life; first in Saudi Arabia working for the Al-Baraka company and then in Pakistan, where his self-started businesses failed.

As Sarfaraz recalled:

He was a dreamer. He wished to start his own beverages company, but he couldn't pull it off. He was a very honest person and never wanted to compromise on his principles.

These traits became quite central in Sarfaraz's life, as he believed that regardless of the kind of business one has, they should not compromise on their principles and values. Sarfaraz's family emphasized on education from the start, as was evident from his elder sister, who had recently completed her PhD. While he had an interest in theatre from an early age, he came from a family where art and culture were not promoted and most of his family members were either doctors or worked for someone else's company. Still, his family supported his interests and this support allowed him to take risks and gave him the courage to follow his passions. Up until his graduation from university, Sarfaraz took part in varied extra-curricular activities, but he did not compromise on his education because he knew he had responsibilities.

College Life & First Entrepreneurial Venture

Sarfaraz graduated from University College Lahore (UCL) in 2004, majoring in Economics. His degree was affiliated with the London School of Economics and he scored a 2:1 upon graduation. He had decided to study economics as opposed to an arts degree due to a lack of awareness of arts programs in Lahore and elsewhere. As he said, *"There was a severe lack of career counseling at that time and no one in my family had ever gone to an arts college."*

Although he had an economics major in bachelors Sarfaraz kept his love for performing arts alive. While at UCL, he started a theatre management company by the name of 'JAWS Productions', along with three other batch-mates. Two of those partners left quite early in the venture. Sarfaraz always had an interest in theatre growing up; he would regularly attend plays at Al-Hamrah Arts Council, Lahore as a teenager and looked forward to the Rafi Peer Arts Festival every year. He was quite lucky in the sense that his school, Unity High, encouraged theatre and he often found himself backstage as his cousin used to be involved in school plays at the time. Subsequently, Sarfaraz became passionate about directing plays, a passion that he carried to UCL. The company, JAWS Productions, was registered in 2000, as an event management and theatre company. Sarfaraz had the sole proprietorship; the rest of the three partners had no issues with that. Sarfaraz came up with the name "JAWS" as it comprised of the first letter of each team member's name, with Sarfaraz being the 'S' at the end.

Under Jaws Production, Sarfaraz and his team produced plays with the intention of doing something new and different. They soon introduced the concept of a six-day theatre in Lahore and introduced original soundtracks in their productions. Four plays were organised by this team. All were during semester breaks at UCL, each year from June to August (2000 to 2003), as the team was free from university and could chase sponsorships and give ample time to the productions. The highest amount of money the company earned was around Rs25,000⁴. This was, still, a great learning experience for everyone involved.

According to Sarfaraz:

I think the greatest thing we learned was the feeling of being self-employed, and risk taking at a very young age. We experienced entrepreneurship first hand!

Unfortunately though, despite his passionate interest in theatre, Sarfaraz had to leave it behind around 2004 when he graduated from UCL. Upon graduation, Sarfaraz and Yusuf Tirmizi, who were the only two of the original four partners of JAWS Productions left at the time of graduation had to immediately look for conventional jobs. Owing to their middle class family background they did not have the luxury of pursuing their career in something like modern theater, which at that time was hardly a lucrative business in Pakistan.

⁴ From 2000 to 2003, the average exchange rate for the Euro to the Pakistani Rupees was 56.67. Source: www.sbp.org.pk/ecodata/ibf_arch.xls, accessed December 2016.

Job Search: Working in Multiple Fields

In the early phases of this job search, upon seeing Sarfaraz's passion for creative work, his cousin, who worked at Interflow in Karachi, encouraged him to apply to different advertising agencies to get some formal training. Following his cousin's advice, Sarfaraz applied to every advertising agency in Pakistan, anxiously awaiting a response. It was during this phase that a turning point came in Sarfaraz's life. He was at the office of a well reputed advertising agency in Lahore to hand in his resume and was told it would reach the relevant department. On his way out of the building, he realized he had forgotten his car keys, so he went back to retrieve them from the reception. This was when he witnessed that his resume was already in the dustbin. Feeling extremely humiliated and worthless, Sarfaraz decided that he wouldn't apply to any more advertising agencies from that day forward and started to look for jobs elsewhere. As he recalled, *"I could see the dustbin and I could see my resume inside the dustbin; that was the day I promised I will not apply now..."*

He soon joined ABN AMRO Bank, in early 2004. Once there; however, he realized that banking was not as easy as he had thought it would be and it did not suit him at all. As he reminisced, *"You know how they say once a rock star, always a rock star. At that time, I felt like once a banker, I would always be a banker!"* Despite the fact that the bank had a near perfect corporate working environment, Sarfaraz was not happy. Thus, as soon as he got an offer from the Jang Group, he left the bank. He joined the Jang Group as a marketing executive for their supplement campaign team. This was a great learning and networking experience, as he now had access to different advertising agencies who wanted to publish their advertisements in the newspaper and this helped his career immensely, in the years that followed.

He remembered:

The benefit of working there was that agencies which previously would not let me in, now met me on a regular basis. I had to go to a different advertising agency every day in order to share our proposals, as most business came through these agencies and their clients.

While he was working at the Jang Group, he got an offer from J. Walter Thompson (JWT) in mid-2005. JWT was one of the best advertising agencies in those days and were handling the launch of a newly arrived telecommunication company, Warid Telecom, in Pakistan. Sarfaraz joined the team working on this launch upon the encouragement of his boss at the Jang Group, who saw this as a great opportunity for him. This foresight proved to be true and the next two years which Sarfaraz spent at JWT, till June 2007, were the best years of his life, in terms of learning and networking. He now had the opportunity to work with big clients, such as Warid Telecom, Levis Pakistan, LUMS and the Qarshi Group and made a lot of professional contacts during his time at JWT.

As he recalled:

I consider JWT to be the first institution where I learned proper client servicing and creative writing. Even today, when I'm explaining something to my team, I refer back to my experience working at JWT. Those two years were amazing!

Alongside his day job, Sarfaraz had also forayed into band management in mid-2005. This happened quite by chance, as most of the emerging musicians of the time were his friends from school and university. One fine day, Farhad Humayun of the band Overload approached Sarfaraz to become their manager, which he gladly accepted for the love of his longstanding passion in theatre and music. Soon after, Junaid Khan, who was the lead singer of the band Call, and a friend of Sarfaraz as well, asked him to become their band manager. He used to do this in whatever free time was available to him on weekdays as well as weekends while keeping his full-time job at JWT. This also gave Sarfaraz great exposure and a medium to satisfy his inner self, as he was routinely contacted by local as well as international parties looking to book Overload and Call for various events.

During this period, Sarfaraz had completely left the theatre field and shifted to event management instead. JAWS Production had gone into hibernation, waiting for a new opportunity to come along. Sarfaraz was mostly focused

on networking and making contacts at JWT; as many people came to him with proposals for sponsorships. It was during this time, in 2005, that he first met JB.

THE EARLY YEARS OF JBNJAWS PRODUCTIONS

JB Meets Sarfaraz: The convergence of two entrepreneurial paths

The first time JB and Sarfaraz met was in June 2005, when the latter was working for JWT and the former was still organising school events such as concerts. At that time, JB had gotten in touch with Sarfaraz in search of sponsors for his events, as Sarfaraz had access to corporate clients such as Levis Pakistan and Warid Telecom by virtue of his job at JWT. After a little over a year they met again, in November 2006, during an Overload concert; an occasion which marked the start of their partnership.

In November 2006, when an Overload concert was supposed to take place but Sarfaraz was not available due to an advertisement shoot for Warid Telecom. Sarfaraz had to fly to India and would return on the day of the concert. Since he would be absent for the days leading up to the event, Farhad Humayun, the founder of Overload, suggested that JB, whom he had vaguely heard about with reference to organising concerts, could handle the promotion and the execution of the event. The band got in touch with JB and gave him two thousand invites to be given to handpicked attendees, in order to control the type of crowd at the concert. The concert was a big success and afterwards Sarfaraz suggested that he and JB start something together.

As JB remembered:

I had come into the mindset of being on my own, but after the Overload concert, my next direction was now clear... so Sarfaraz met me and said 'let's do a project together... you bring schools, and I'll bring the sponsors... let's see what happens'... it was so spontaneous and intuitive!

The very next day, JB went to meet Sarfaraz and they took a proposal to Warid Telecom for the sponsorship of a school concert, which was accepted. They also managed to get sponsorship from Rafhan, a big food brand under Unilever Pakistan. The concert took place on November 30, 2006, at Lahore Grammar School and featured prominent bands, like Noori and Call; the event named "Coming Back To Life" was a big success. After the event, the partners gathered at Sarfaraz's house and counted their earnings from the event; they had made around Rs400,000⁵, which was a splendid amount of money for them, especially for Sarfaraz who was currently on a monthly salary of Rs18,000.

JB also realized the importance of the monetary equation in any venture, as he recalled:

At this time, unlike earlier incidents, what drove me besides passion were financial incentives; I didn't like borrowing money from others for Creative HQ... one should be self-sustaining, and that event taught me this.

Following the event, the partners felt ecstatic about the idea that they probably had a business model that could work, especially with Sarfaraz's connections in the corporate world and JB's affiliation with schools. However, they needed a business name to identify themselves in the market. What could have served them better than the merger of JB Productions and JAWS Productions, i.e., their erstwhile brands. This is how JBNJAWS Productions came into being. They didn't go for an entirely new name because they were not yet sure how long this venture would last and thought they could easily split the collaboration, when and if needed, with such a name. As luck would have it, just within a week of the event they started getting more queries. They organised more events in the months to come, including an Atif Aslam and Hadiqa Kiyani concert on December 30, 2006, at the Garrison

⁵ During 2006, the average exchange rate for the Euro to the Pakistani Rupees was 75.72. Source: www.sbp.org.pk/ecodata/ibf_arch.xls, accessed December 2016.

Golf and Country Club, Lahore. However, it was their third event, i.e., an Atif Aslam concert at the Royal Palm Golf and Country Club in January 2007, which became their greatest learning experience so far.

The Royal Palm Concert Debacle: A Learning Experience

The Atif Aslam concert at Royal Palm on January 18, 2007 was the first time JBnJAWS Productions had organised a large scale commercial event and was a far cry from the school and college events they had previously been doing. The event was for some private investors, who wanted to make money by selling tickets for the event. The event had big sponsors such as WorldCall Telecom and FM91 and it was heavily advertised, with around fifteen billboards all across Lahore. As per the understanding with the investors, JBnJAWS Productions was tasked with just managing the event on the day and would be paid a fixed fee for their service, whereas the ticket sales and promotion of the event would be handled by the investors themselves. However, indiscriminate ticket selling, combined with excessive advertisement on the part of the investors created havoc on the day, resulting in gate crashing and over flooding of the crowd that severely disturbed the entire logistics of the event.

As JB recalls:

...they opened the gate a little bit and people pushed in... there was a steel barrier ahead that was thrown down and people flooded inside all of a sudden... there was a riot outside and two of Royal Palm's structures fell down. We had no idea what was happening. We were inside doing our setup for the concert, we had no idea how many tickets had been sold, we were clearly overbooked... there were many complications.

This debacle hit JB particularly hard, as he had taken the NOC (No Objection Certificate) for the concert against his personal NIC (National Identity Card) and was sent a notice by the management of Royal Palm Golf Club, claiming Rs4.5 million⁶ worth of damages. When the notice was forwarded by JB and Sarfaraz to the main responsible party, i.e., the private investors, they never responded to it and kept silent on the matter. The situation was further compounded by the management of Royal Palm Golf Club, who were the ticket sales collectors and immediately blocked the payment of the investors, who then also went after JB and Sarfaraz to get their payment released. In the end, it took three to four months for JB and Sarfaraz to resolve this mess. They had to make court appearances and make settlements with both parties, while JB was even detained in prison at one point for five to six hours. Far from making a profit, the partners made a huge loss. They even got negative press footage, with the event being featured in Instep Magazine with the title "Time and tide wait for Atif".

Nevertheless, it was a unique learning experience for the partners. The partners agreed that if they still wished to continue working in the field of event management, they must get everything legally covered and never rely on verbal contracts.

According to JB:

...at this time, my family also became involved. My dad said either don't do this work, or do it with proper paperwork... we had no legal agreement with our investors; it was mostly verbal or on emails, nothing which would stand in the courts... but we needed this reality check."

Surprisingly for JB and Sarfaraz, even this failure had its upside. As a result of this event being promoted very visibly in Lahore, the name JBnJAWS Productions became recognized as synonymous with event management and the partners soon started receiving calls from many interested parties looking for event managers. In this sense, even the Royal Palm debacle had a silver lining.

⁶ During 2007, the average exchange rate for the Euro to the Pakistani Rupees was 83.24. Source: www.sbp.org.pk/ecodata/ibf_arch.xls, accessed December 2016.

Reflecting on their personalities in the backdrop of this event, Sarfaraz said:

I think one gets to know their partner's nature over time, and there is no point in fighting against it and trying to change someone. I doubt I would be here today if I was with the original JAWS team... an entrepreneur needs to be brave and make bold decisions, a quality that is definitely present in JB and has worked out well for us. If it weren't for JB's insistence, we would have probably not taken on this event, which in a way, launched our mainstream career.

Formalising JBnJAWS Productions

Despite the Royal Palm debacle, JBnJAWS Productions gained recognition in the local market, as the concert had been heavily advertised. Soon, they started getting queries for more work and decided to formally create JBnJAWS Productions as a legal entity. In March 2007, the company was officially formed, a JBnJAWS Productions bank account was created and the logo and letterhead were finalised.

Sarfaraz stated:

When we were printing the cards for JBnJAWS we thought of what we should write on it... so we wrote brand activation as well, and also talent management... soon a lot of talent started approaching us to start managing them.

JBnJAWS Productions had no office space at that point and the partners worked out of their homes. Following a successful advertisement shoot for Warid Telecom which featured Ali Azmat through his work at JWT, Sarfaraz realized the potential of the work he and JB could do and agreed that they should set up an office. In mid-2007, the partners set up an office at JB's house, after which JB asked Sarfaraz to quit his job and join the company full-time. Sarfaraz agreed and he resigned from JWT by June 2007.

As Sarfaraz recalled:

...for me, coming from a corporate background, it was quite challenging to deal with a person who had never worked for anyone else in his life. And I'm sure for him, having someone around him with a different point of view was not pleasant at first!

JBnJAWS Productions started to actively take queries, formally pitched ideas to various multinational companies and worked towards organising events on a bigger scale. They had also hired two employees. This period took a bit of adjustment for both partners.

As Sarfaraz stated

...the biggest shock I received was the absence of the corporate style of working. I was so used to being at the office at 9 a.m., someone bringing me tea... now I'm sitting alone at JB's house while he's at LUMS for classes."

To effectively utilize his free time, Sarfaraz joined FM91 as a consultant in June 2007, with approval from JB. All he had to do was work four hours a day for four days, and in return, had access to FM91's office space for all his event management work. FM91 also became a partner in events that JBnJAWS Productions did around that time. As for JB, he was also managing his time well as he juggled classes at LUMS and his work commitments.

As Sarfaraz smilingly reminisced:

Hats off to JB as well, I mean despite being at LUMS, he always made it to meetings on time... I don't know if he bunked classes or what but he was always punctual and professional.

Gaining Recognition & Further Challenges

Slowly, JBnJAWS Productions started gaining recognition for every event they organised. In August 2007, for example, they came up with the concept of a summer bash festival, which was to be a three-day festival. They got sponsorships from Sony Ericsson and Warid Telecom and the event was a great success.

As JB recalls:

We did it for three to four days at Sozo World Cinema; we showed films, followed by comedy troupes such as Blackfish and concerts by bands like Call and Roxen. There was even a concert by Josh at the end. For this whole summer bash thing, we got noticed by the Rafi Peer Theatre, who called us up to find out who we were!

Another novel idea by JB was to start an internship program, which resulted in the partners getting introduced to a lot of new contacts through the internees. One example of this was an awards event they organised for Proctor and Gamble (P&G) Pakistan in Karachi. The event featured Strings concert and the partners were contacted by P&G to handle the stage, sound and lighting setup for the show based on a referral from one of the partners' new contacts, who was introduced to them by one of their internees from the internship program. Thus, what started as a simple internship program led to JB and Sarfaraz organising their first corporate event ever.

Then, a significant event happened again in August 2008. JBnJAWS Productions was managing an event in Islamabad for Wateen Telecom, which featured bands like Noori and Jal. The event was being held in the sensitive Red Zone area of the city, at the Pakistan National Council of Arts (PNCA), which had a capacity of 1500 people. The night of the event was a complete success, as it was a full house. However, the very next day, then President of Pakistan, Pervaiz Musharraf stepped down as the president, leading to great political unrest in the country. As a result, Sarfaraz was called in by the PNCA in the presence of some police officers without initial explanation. While JBnJAWS Productions had previously obtained a permission letter from the PNCA stating that no NOC was required for the event, the police officers alleged that they had broken the law in the sensitive Red Zone area of the city and should have acquired the NOC before the concert. The partners cooperated with the police and managed to come out unscathed by presenting the Police Superintendent with a copy of the permission letter by the PNCA the next day. This was an important learning experience as it made the partners realize the significance of complete paperwork when conducting events.

As Sarfaraz remembered:

...he (the police superintendent) said you're free to go, but we'll be going after PNCA now. That was the day I realized how important the NOC was for an event. We were in a very sensitive line of work, where everything could collapse at any given moment. I realized that work will come and go, but we need to study it completely; whether it's a product worth going for, potential repercussions and safety measures and all that...

Unfortunately for JBnJAWS Productions, from 2008 onwards, the security situation in Pakistan worsened, and the number of events being held significantly dropped. The partners did rent out an office at Model Town, a more central place of Lahore by 2008. But as work slowed down both JB and Sarfaraz took a step back and started focusing on their own solo projects. From 2008-2010, JB was a part of three simultaneous businesses, i.e., JBnJAWS Productions, Evelop, as well as Creative HQ (as a vendor for LUMS) and Sarfaraz, apart from his part-time job at FM91, had also taken up part-time marketing for TVOne and NewsOne, which were its affiliated television channels. He was also managing Ali Zafar at the time and working for a project called "Wake Up Pakistan" which also involved figures like Zaid Hamid and Maria B, along with managing JBnJAWS Productions.

JB's Solo Project: Evelop

In May 2008, JB entered into a separate partnership with Asad Aftab, who was a FAST University graduate and a computer engineer. JB had met him through mutual friends and wanting to try something new, they decided to

set up a software development company, offering design, web development and database management services and named it 'Evelop' (by taking the 'd' out of 'develop'). This particular partnership between JB and Asad was different from Creative HQ as the roles were not defined and both partners could bring in new clients. However, unlike Creative HQ, JB did more of the front-end work, in addition to design and aesthetics, while Asad did more technical back-end work such as coding and programming. Evelop faced many challenges throughout its existence and was officially shut down in July 2009 for a variety of reasons. Firstly, Asad had an existing business on the side, doing online freelance work which earned him Rs200,000 to Rs300,000⁷ each month. He kept himself involved in Evelop mostly to avoid his family's suspicion who believed that his freelance work was not completely 'ethical'. Secondly, Evelop had been working on a large project for a Canadian company for six months; however, the company shut down soon after and while Evelop had delivered its work as promised, it had only received 50% of the total payment, which created a serious cash flow crunch. The partnership between JB and Asad, thus, ended in July 2009; it was quite a cordial break up.

Sarfaraz's Solo Project: Managing Ali Zafar

The year 2008 brought with it a significant development in the life of Sarfaraz. He had met Ali Zafar twice before, he was one of Pakistan's most prominent singers. Once in the context of celebrity cricket matches which JBnJAWS Productions had conducted at LUMS and again when JBnJAWS Productions organised an Ali Zafar concert at the Lahore American School in 2007. Then one fine day, in September 2008, Sarfaraz got a call from Ali Zafar, asking him to become his manager, as he wanted an educated and well-aware person to manage his affairs; a job Sarfaraz readily accepted. Managing Ali Zafar soon became one of the highlights of Sarfaraz's career. It turned out to be a mutually beneficial partnership. The following year, in 2009, Sarfaraz also accompanied Ali Zafar to the US, Canada and Europe for international events.

As he reminisced:

Ali became a brand ambassador for Mobilink, after which we did the Tarang advertisement shoot, as well as for Pepsi. There were so many endorsements, plus shoots were happening and tours were coming in; 2009 was a happening year for Ali Zafar. A lot of the international exposure and one-on-one relationships I gained during this period helped JBnJAWS big time in later years!

JBnJaws From 2008-10: When the Going Gets Tough

While the partners focused on their solo projects during the time period of 2008-10, they did not neglect JBnJAWS Productions. Although the company was not aggressively pitching to clients during this period, they were still tackling work which was brought to them. Since President Musharraf's declaration of a state of emergency in November 2007 and his subsequent downfall, the circumstances around the country significantly worsened in the 2008 to 2010 period. There were protests, riots and even bomb blasts in the residential areas of Lahore. Hence, even when the partners did pitch an idea to a potential sponsor, it would collapse due to the deteriorating security situation of the country. In fact, around seven to eight JBnJAWS Productions events were cancelled in a row during that period.

According to Sarfaraz:

There were two ways of looking at the situation. Either the company could dissolve or, for the time being, we could stop aggressively pitching and just try to survive through it somehow."

Despite the shaky security situation, JBnJAWS Productions somehow managed to execute around fifty to sixty projects till 2010, in a span of three years. Their average profit margin remained 25% to 30%, and they took part

⁷ In 2008-2009, the average exchange rate for the Euro to the Pakistani Rupees was 108.51. Source: www.sbp.org.pk/ecodata/ibf_arch.xls, accessed December 2016.

in whichever project came their way. For instance, from 2008 to 2010, they did about Rs4 million⁸ worth of work for LUMS. Apart from that, their three main clients during this period were Wateen Telecom, Servis Shoes and Lake City Holdings. They also did a small project for Samsung during this time. The partners' big break during this period came when an acquaintance of theirs introduced them to a senior manager at Servis Shoes, who asked them to perform a nationwide campaign for them. As this was the first campaign they had ever done on a national scale, it became a stepping stone for them towards more corporate clients. The nature of the projects the company did during this period varied; some were conferences, some were sponsorships, some were artist management projects, some were café launches and some were concerts. Largely, the company mostly focused on concert and entertainment until 2010 when they went through large scale restructuring.

2010 ONWARDS: RESTRUCTURING & GAME CHANGERS

Restructuring JBnJAWS Productions

While 2010 was still a slow year for JBnJAWS Productions in terms of getting work, the year did bring with it significant changes to the structure of the business. JB had graduated from LUMS in December 2009 and Evelop had been shut down earlier that year. As 2010 approached, JB started focusing on JBnJAWS Productions with complete dedication. At the same time, Sarfaraz left 'Wake up Pakistan' in March 2010, along with his part-time jobs at NewsOne and TVone. He had also gotten married in April of the same year and thus had decided to streamline his ventures; only retaining Ali Zafar, FM91 and JBnJAWS Productions.

Having survived through the turbulent years, JB brought forth the idea to restructure the business and move to a new office in Gulberg, which was completed by 2011. He also told Sarfaraz that they should formally observe the growth of the company over the next few months and if they do well, Sarfaraz should also leave FM91 and shift most of his time to JBnJAWS Productions. In return, JB was personally willing to take up any extra office expenses over and above 15% of the profits, the budget they had reserved for the operating expense of the new office.

Soon after, in mid-2010, Sarfaraz resigned from FM91 and only kept Ali Zafar as his other commitment, stated:

...this decision was important for me because I was married now and things were different. I was still ready to take risks and so was JB, but since he wouldn't ever go for a side job for the kind of person he is, I resigned. So now, we both had equal stakes in the success of the company.

The division of roles between the partners also changed slightly. Up until 2010, Sarfaraz had looked after business development and marketing, while JB had been taking care of proposal making and the design and creative parts. While both of them were still equally involved in execution, after 2010, JB also started participating in business development; he brought in Samsung, and he also pitched for Huawei and Pepsi; thus expanding his own business role. The partners also created a 40/40 division formula for income; the remaining 20% would either going to one person or split it based on their level of contribution on a particular project.

As JB recalled:

I think one reason our partnership has been so successful over the years is Sarfaraz's maturity and fairness. None of my previous partners gave me the margin Sarfaraz gives; in the first ones I got dominated many times. Sarfaraz; however, values my contributions and gives space where needed. Above all, he isn't controlling and respects both our investments in the company.

There was also a significant change in the company's approach to work. Before 2010, the partners had mostly worked on whichever project they had gotten, but were not aggressively looking for opportunities and work was not defined as such. As 2010 came around; however, they adopted a more focused and systematic approach to

⁸ From 2008 to 2010, the average exchange rate for the Euro to the Pakistani Rupees was 109.99. Source: www.sbp.org.pk/ecodata/ibf_arch.xls, accessed December 2016.

work. They established a creative department, hired designers and 3-D modelers and defined roles and job descriptions for all of their employees. They also hired Farhan Saleem, as general manager operations for JBnJAWS Productions and he proved to be a great asset for the company with respect to dealing with vendors and managing most ongoing tasks for their various projects.

As Sarfaraz stated:

Hiring Farhan was a good decision, as it gave employees another person to liaise with apart from JB and myself. In retrospect, it was much needed, as I think I'm a very difficult person to work with; very different at home and at the office. At home, I'm completely chill, but at work, I can be difficult... I feel like I need to be authoritative at times in order to bring a certain level of discipline to the office.

The company re-positioned itself from a simple event management firm to a marketing support agency. As JB states, *"We started pitching properly at this point, like a creative agency does. If we won a pitch, we won the client. We dived into this process, and kept winning; we won Samsung, LG and Servis..."* Following this transition to a marketing support agency, not only did the company organise events for their clients, but also procured talent for them, took part in brand activations, trade activities and incentive campaigns, along with many other out-of-office events for these corporations. Interestingly, the way they approached clients differed; for Samsung, they started performing brand activations first and later moved into events for them, but for LG, they were conducting events initially and later moved onto brand activation. The business slowly diversified, with many parallel offshoots besides event management, including brand activation, talent management and PR work. Although around 77% of their major business volume still came from event management. The organogram for JBnJAWS Productions is shown in **Exhibit 7**.

Game Changer No. 1: The Mobilink Jazbaa Tour

Following the restructuring of the company in 2010, JBnJAWS Productions got a big break from Mobilink, which wanted JBnJAWS Productions to organise three concerts as part of their Jazz Campaign with Ali Zafar in 2011. All three were a great success; this was the first time the company had created massive stage structures and practiced proper backstage management, just like international concerts.

According to Sarfraz:

...the places I travelled to with Ali in 2009, 2010, whether it was an event in Switzerland or the US tour... I really learned how this kind of work should be done... there needs to be a proper backstage, there should be bouncers, there should be security with proper deployment and walkie-talkies etc. I learned how every event had a proper flow to it, with a script, a host, an opening band; we eventually made SOPs for all of these things.

Soon, 2012 rolled around and JBnJAWS Productions was doing well, with regular work, resources and clients. They had become the preferred company for Pak Elektron Limited (PEL) as well as Samsung and Mobilink. JBnJAWS Productions had made their mark and came in from a position of power when they pitched for their biggest ever corporate project yet, i.e., the Mobilink Jazbaa Tour; which they won. They proposed to organise a tour with a prominent singer, Atif Aslam, who was already the face of the Mobilink brand at that time, with international-style flair.

Sarfraz said:

We wanted to organize a complete tour, with a tour bus and everything. We studied tours by U2, Bon Jovi... we showed them (Mobilink) how these ideas could be implemented locally... after budgeting, it became a project of nearly forty million rupees.

The tour was to be held across various cities in Pakistan and involved other processes such as brand activation, celebrity management and even merchandising. Overall, they executed ten events, with Atif Aslam featuring in four of them and the remaining filled up by other musicians brought onboard by JBnJAWS Productions. On average, each event had a minimum of six thousand people in attendance. The goodwill JBnJAWS Productions had established over the years really helped them with the huge investment required for this project. As most of their income would come in after the project was completed, the partners had to take short term loans and also liquidate certain investments in order to fix their cash flow problems during this time. At the end; nevertheless, the project was a huge success (as shown in pictures in **Exhibit 8**) and many future clients took notice of JBnJAWS Productions as a marketing agency after this mega corporate venture; with the media writing about the two partners as premium event managers.

The Formation of Genesis: An Offshoot

In January 2013, the partners formed a separate company named Genesis, to look after integrated marketing, talent management and celebrity endorsements. The partners also decided to give Farhan a 10% stake in Genesis, making him the third partner in this new company. Separating talent management from their event management business proved to be a great move for JB and Sarfaraz, as they started being approached by a lot of celebrities to manage their portfolio after this formation.

JBnJAWS Productions and Genesis had a lot of synergy. JBnJAWS Productions, for example, worked with a renowned Pakistani actress, Mahira Khan, in February 2013 for a Nesvita Campaign, which led to an opportunity for them to also manage her portfolio under Genesis. Similarly, soon after, Samsung and Haier, which were both clients of JBnJAWS Productions, asked them to find talent for their advertisements as well. The partners also managed to sign Mahira Khan, through Genesis, in an advertisement for Huawei during this time and booked another prominent actress, Humaima Malik, for Samsung in the same year. Then, in September 2013, the partners signed singer Quratulain Baloch, who was on the lookout for a new firm to manage her portfolio and was impressed by what she had heard about JBnJAWS Productions and Genesis.

Sarfaraz said:

Working with celebrities at that time gave us the kind of access we didn't have before... which we don't need now, but in those days, it opened a lot of doors for us... companies want to work with us more if we have prominent celebrities on board.

Game Changer No. 2: The Samsung Note 4 Launch

One client with which JBnJAWS Productions had had an unsteady relationship was Samsung; they had experienced some ups and downs. In October 2013, JBnJAWS Productions had mishandled an event for Samsung, adversely affected JB's and Sarfaraz's relationship with the company for the next six to seven months. As JB explained, *"The nature of this industry is such that even for a small event, unsatisfactory service does not go unnoticed and can make or break you."* However, instead of giving up on Samsung during this time, the partners worked hard to try and repair this relationship and regain their goodwill. This paid off when Samsung finally approached JBnJAWS Productions to handle the launch of their flagship TV in June 2014, which was quite a success.

Following the successful TV launch event for Samsung, JBnJAWS Productions were approached by Farid Jan, the Head of Samsung Pakistan, for managing the Samsung Note 4's launch, in October 2014. Like much of their work for Samsung before, the partners were told that this phone would be launched in Islamabad to a room full of distributors, and not the general public. However, the partners suggested some radical changes to the proposed plan.

As Sarfaraz recalled:

...we said our recommendation was that this event should take place in Lahore and we should take out all the distributors. We said, let's try something different... we'll inject socialites, the audience will be completely different... we'll invite celebrities, opinion leaders, corporate clients, the media, popular bloggers. And we told them, with these attendees, you have no idea how loud the buzz is going to be.

Samsung, luckily, agreed to the proposal and the event was a blockbuster success; one parameter of its success was that Fareiha Altaf of Catwalk Productions, a top-notch event management firm which had lost the bid for that same event against JBnJAWS Productions, came all the way from Karachi to attend the event and find out what all the hype was about with this new firm in town.

While the partners had estimated that this was a project of about Rs10 million to Rs12 million⁹, the budget they received for it was very low. However, not wanting to back down, the partners took the maximum amount of favours they possibly could and pitched aggressively for its success. Ali Zafar wanted to charge Rs3 million for performing at the event, but Sarfaraz convinced him on Rs1 million for the sake of their long-standing relationship. Similarly, they also managed to bring singer Sajjad Ali to perform. The event became popular because famous actors like Hamza Ali Abbasi and Ayesha Omar hosted and celebrities in attendance included film director Bilal Lashari, fashion designer Maria B., and actors Fawad Khan and Mikael Zulfikar. As JB recalled, *"You name a celebrity and they were sitting there."* The event took place at Royal Palm in Lahore and essentially changed the way phones were launched in Pakistan. According to Sarfaraz, *"I activated the theatre part of myself from 2003, 2004... the launch was very theatrical, so it really clicked... and this formula is still working to date."* The company received a lot of media attention after this event and their Facebook page suddenly grew from a thousand followers to thirty thousand. The event also set a benchmark in the industry, shifting phone launches away from small events with distributors to big events with the kinds of opinion leaders they had invited to the Samsung Note 4 launch. In fact, the partners subsequently helped launch some of the biggest phones for Samsung, as well as Huawei, in the months that followed.

While most of 2014 had been a great year for the company, tragedy struck for Sarfaraz in December 2014, when his mother passed away. However, committed to what they were building, Sarfaraz returned to work the following week and threw himself head first into what was to become JBnJAWS Productions' busiest year so far.

Game Changer No. 3: The Rivo Launch in Pakistan

After the success they had in 2014, the partners never anticipated that the coming year would hold a bigger promise for them and leave them at a higher echelon of success. In 2015, JBnJAWS Productions won the competitive bid to launch Rivo Mobile in Pakistan and this single launch, which comprised not only of one product but Rivo's entire product range, had a value of about Rs50 million. The magnitude of this deal was bigger than all the previous launches that JB and Sarfaraz had ever handled for clients like Huawei or Samsung, which were not worth more than Rs20 million. The launch, which took place in Expo Center Lahore, was deemed to be a massive success for Rivo and once the pictures (shown in **Exhibit 8**) and videos of the event were shared on social media, JBnJAWS Productions suddenly caught a new hype amongst the fraternity and found themselves being chased by many new corporate clients.

JB stated after the event:

I think our skill sets work really well together. I'm more tech-savvy and handle the back-end creative side of an event, such as creating the product experience zones, vendor interaction, brand activation, and how a kiosk will look, whereas Sarfaraz brings together talent to fill empty seats and takes the lead in conducting the event once it starts.

⁹ During 2014, the average exchange rate for the Euro to the Pakistani Rupees was 134.10. Source: www.sbp.org.pk/ecodata/ibf_arch.xls, accessed December 2016.

Another prominent occurrence in 2015 was a shoot JBNJAWS Productions did for Warda Textiles, for which JB travelled to Bangkok, as well as a kit-unveiling event for the Pakistan Cricket Team that they handled on the behalf of Pepsi Pakistan for the upcoming cricket world cup. Furthermore, they signed Fawad Khan as the brand ambassador for Samsung through Genesis, which was yet another fantastic achievement for the company's talent management business.

As Sarfaraz reflected on life changes following that year, he stated:

As a result of our success in 2015, we started getting invited to all sorts of gatherings, from poker nights to film premieres and restaurant openings. JB is still at that age where one tends to party a lot, so he often goes to these events. He's the adventurous type; he wants to travel, see the world and take risks. He still wants a crazy life! But I'm at that age now where I want more balance; I don't like risks anymore! I'd rather spend time with family, play sports. I suppose one starts to settle down with age.

Game Changer No. 4: Pakistan Super League (PSL) Events

As luck would have it, JBNJAWS Productions happened to be amongst the selected few agencies approached by the Pakistan Cricket Board (PCB) to handle the Pakistan Super League launch event at the Expo Center in September 2015. The partners proposed that this event could not be done well in anything less than Rs17 million¹⁰; however, the ones in charge of the budget at the PCB told them that another company was willing to handle this event in Rs12 million. While the partners took the time to explain to the PCB that the low budget requirement of the other company was due to the fact that the vendor they were using was not suitable for the job, the partners' demands were still not met and hence they declined to take up this event.

As Sarfaraz recalled:

I told them that if we do this event, we will only work with this particular vendor based in Karachi, only he can control the sound properly, if you don't pay for him we can't help you. They said fine, don't do it, and we left. These are the kind of principles one has to stand up for.

The event turned out to be a disaster for PCB and was very poorly managed by the other vendor. Following this, JBNJAWS Productions were again contacted by the PSL management to handle the PSL draft event at the National Cricket Academy (NCA) in December 2015. This time around, the PSL management insisted that JBNJAWS Productions should handle the event at whatever price they deemed plausible. The event turned out to be a great success and both JB and Sarfraz received a lot of appreciation for their work.

According to Sarfaraz:

The PSL Chairman Najam Sethi and Pakistan Cricket Board Chairman Shehryar Khan went on stage and they acknowledged JBNJAWS and there was a massive applause. All the money in the world cannot match this kind of appreciation... then names like Wasim Akram came on stage and said that the drafting event could not have been any better, you know, Moin Khan is saying good things, Afridi is saying good things, your sponsors, each and every person is lining up to meet you... it's an amazing feeling.

After this phenomenal success with the PSL event, they were right away approached by three franchises of PSL, i.e., Islamabad United, Lahore Qalandars and Quetta Gladiators, to manage their events. They eventually chose Islamabad United for what Sarfraz called a better-qualified and disciplined management team. It marked JBNJAWS Productions' entry into a totally different kind of market that they had never predicted.

¹⁰ During 2014, the average exchange rate for the Euro to the Pakistani Rupees was 134.10. Source: www.sbp.org.pk/ecodata/ibf_arch.xls, accessed December 2016.

Although 2016 was a very successful year for the company; however, JB wanted to keep aggressively pitching to clients and growing rapidly.

Sarfaraz said:

JB is a risk taker by nature; he wants to go for big projects, grow the company more quickly. But I'm not always on-board with that. I think we're at that point now where we can perform lesser quantities of work well and take fewer risks than before. We need to slowly build up self-sustaining organisational systems which can function without direct input from the partners. But JB believes he still needs to micro-manage tasks in order to get things done, even now!

Managing Dry Periods: Cartel Is Formed

In April 2016, the partners dissolved Genesis and formed a new company in its place by the name of Cartel. This occurred as a result of negligence, as the name 'Genesis' was never formally registered, and another party in Karachi had formed a talent management company with the same name; thus, the partners simply rebranded Genesis to form Cartel. Having worked in event management for many years, the partners realized that there are dry months every year, such as Ramadan and Muharram, when companies keep their marketing budgets low for events and there is no major work available. Thus, another important reason for forming Cartel was to cash in on the dry months by establishing a separate brand for doing PR work (which had an 84% profit margin) and talent management related work. Furthermore, unlike JBnJAWS Productions, Cartel did not restrict itself to only big clients but worked across a spectrum of customers of different sizes.

As Sarfaraz explained:

Suppose I am Insignia (a local shoe brand) and I can't afford huge events. Where do I go then? Our promise was that even in your budget, you can think about effective marketing solutions and we can work with you to do small events with thirty or forty people at your outlets and stores. We told them, we can bring in celebrities who are in your budget range and you can still have a successful event.

As a result of offering customised solutions to smaller clients as well as bigger clients and offering tailor-made PR solutions, Cartel had developed the capacity to cater simultaneously to businesses as small as new start-ups and as large as the MNCs.

Thus, with their two companies, JBnJAWS Productions and Cartel, working side-by-side, JB and Sarfaraz were well positioned to compete with the biggest names in the industry and scale their business even further in the future. While they continued to have great success, despite the various glitches and surprises along the way, it was their partnership which became a great source of strength for them and continued to help them navigate through any rough waters.

AND THE STORY GOES ON...

As JB and Sarfaraz continued to reminisce about their journey so far, JB's mind was flooded with more questions than answers.

He turned towards his partner to ask:

Sarfaraz, do you think we've done enough to be able to call JBnJAWS a successful pursuit? I'm just wondering... I know we've had a lot of successes, but can we truly call ourselves entrepreneurs?

Sarfaraz, taking a moment to pause, replied:

I do think we've been quite successful... But I think we need to think about what it is that makes us who we are... That golden piece of knowledge we can share with newer firms in our space! They should be able to learn from our trials and tribulations, our story...

Agreeing, JB replied:

Yes my friend, I think you're right. I'm glad I have a partner to share my thoughts with at times like these. Can you imagine how different this journey would have been alone, or if we had opted for corporate jobs instead? Would we have been this successful?!

The partners' discussion was cut short, as Farhan entered the boardroom. "*Our 9 o' clock appointment is here,*" he frantically signaled to JB, who had almost forgotten about their meeting that morning with Samsung's marketing director. As he quickly got up to walk towards his corner office, JB briefly caught a glimpse of Sarfaraz, smiling back at him knowingly. After all these years, JB knew Sarfaraz well enough to know what he meant, smiling as if to say, "*...and the journey continues my friend.*"

Exhibit 1: Founders' Profiles

Mr. Jahanzaib Shafique



- Director/Senior Consultant at EPIC
- Director, Special Projects at Cartel Media & PR
- Partner/Managing Director at JBNJaws Productions
- Studied Economics/Mathematics at LUMS
- Lives in Lahore, Pakistan
- Likes to travel in his downtime
- Aged 30 years

Mr. Sarfaraz Khan Niazi



- Creative Director at EPIC
- Consulting Partner at Cartel Media & PR
- Partner/Director at JBNJaws Productions
- Studied at Economics at University College Lahore (UCL)
- Lives in Lahore, Pakistan
- Likes sports in his downtime
- Aged 36 years

Source: Company Documents

Exhibit 2: JBNJAWS' Clientele



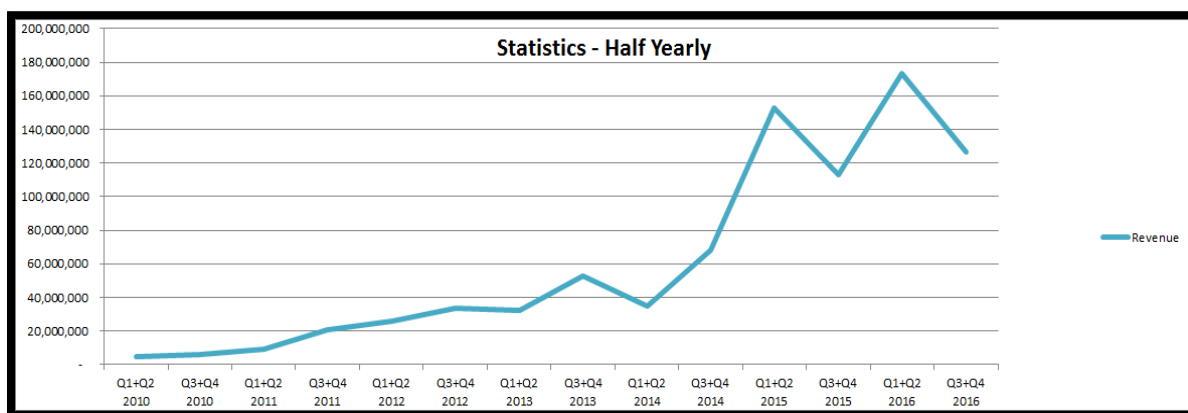
Source: Company Documents

Exhibit 3: JBnJAWS’ Revenue Streams

Serial No.	Revenue Stream	Description	Share in Overall Business (%)
1	Brand Activation	Campaigns, events, or experiences that enable a brand to engage directly with consumers and build a loyal brand community around the product or service.	11.34
2	Cinema Activation	Cinema activation including cinema branding and cinema launches.	6.09
3	Advertisement Production	Production of advertisements for different types of brands.	0.03
4	Event Management	Entertainment driven management of events such as concerts, phone launches, and store launches.	62.37
5	Media Planning	Positioning, budgeting, planning and executing a marketing strategy for a particular brand.	0.08
6	Public Relations (PR)	Managing the spread of information about an individual or company to the public, and attempting to frame that information in a positive light.	0.17
7	Sourcing	Includes merchandising, and giveaways such as corporate gifts.	1.21
8	Talent Management	Celebrity artist management that includes acting as the artist’s agent with corporate firms.	17.74

Source: Company Documents

Exhibit 4: JBnJAWS’ Revenue Statistics (2010-2016)



Source: Company Documents

Note: Prior to the year 2010, there was an average 50% growth per annum.

Exhibit 5: JBnJAWS' Timeline (p1 of 2)

2000: Sarfaraz registers the theatre management company known as JAWS Productions.

2004:

- Sarfaraz graduates with a degree in Economics from University College Lahore.
- JAWS Productions goes into hibernation.
- Sarfaraz joins ABN AMRO Bank.
- Jahanzaib organizes his first school concert on 14th January, in partnership with Mohsin.

2005:

- Jahanzaib enrolls in the Lahore University of Management Sciences.
- Formation of Creative HQ (the agency with Fatima and Salman) in July.
- Sarfaraz joins JWT in mid-2005.
- Sarfaraz starts managing Call and Overload.
- Sarfaraz and Jahanzaib meet for the first time as Jahanzaib is looking for sponsors for a school concert.
- Partnership with Mohsin becomes dysfunctional at the end of the year.

2006:

- Jahanzaib becomes a vendor at LUMS as Creative HQ.
- Creative HQ (the agency with Fatima and Salman) collapses in October.
- Overload concert in November marks the beginning of JBnJAWS Productions.
- First School concert organized by Jahnzaib and Sarfaraz called, "Coming Back to Life" takes place at the Lahore Grammar School on 30th November, featuring bands Noorie and Call.
- Sarfaraz and Jahanzaib merge JAWS Productions and JB Productions to create the name 'JBnJAWS Productions' in December.
- Creative HQ (the agency) partnership with Fatima and Salman dissolves in December.
- The partners hold their second event together, an Atif Aslam and Hadiqa Kiani concert, on 30th December at the Garrison Golf and Country Club.

2007:

- The Royal Palm debacle occurs at an Atif Aslam concert at the Royal Palm Golf and Country Club on 18th January.
- JBnJAWS is officially established as a company in February.
- An office is set up at Jahanzaib's house in mid-2007.
- Sarfaraz resigns from his Job at JWT in June and joins FM91 as a consultant.
- The summer bash festival is organized by JBnJAWS in August.

2008:

- Jahanzaib's solo project Evelop starts in May.
- A concert for Wateen Telecom is held at the Pakistan National Council of Arts in Islamabad in August featuring Noori and Jal.
- Sarfaraz starts working for Ali Zafar as his manager in September.

Exhibit 5: JBnJAWS' Timeline (p2 of 2)**2008-2010:**

- Deteriorating security situation in the country as ex-President Musharraf imposes a state of emergency.
- Seven to eight JBnJAWS' events get cancelled in a row, and work becomes scarce.
- Evelop is shut down in July 2009.
- Sarfaraz accompanies Ali Zafar on his international tour in mid-2009.
- Jahanzaib graduates from LUMS in December 2009.
- From 2008 to 2010, Jahanzaib is a part of three businesses; Evelop, JBnJAWS Productions and Creative HQ.
- From 2008 to 2010, Sarfaraz is working for TV channels Newsone and TVone, managing Ali Zafar and working for the "Wake up Pakistan" project with Zaid Hamid and Maria B.

2010:

- Sarfaraz leaves "Wake up Pakistan" along with Newsone and TVone in March.
- Sarfaraz gets married in April and decides to streamline his ventures, retaining only Ali Zafar, and JBnJAWS. He quits FM91 in mid-2010.
- JBnJAWS shift to their new office in Gulberg and restructure the business.
- Farhan joins JBnJAWS as GM Operations.

2011: Mobilink Jazz Campaign with Ali Zafar.

2012: Game Changer No 1: The Mobilink Jazba Tour starts.

2013:

- A new company, Genesis, forms.
- The Nesvita Campaign with Mahira Khan takes place in February.
- The partners work with Mahira Khan for Haier and Humaima Malik for Samsung.
- The partners start to manage Quratulain Balouch (QB) by September.

2014: Game changer No 2: Samsung Note 4 launch takes place in October.

2015:

- Pepsi's cricket kit unveiling ceremony takes place in January.
- Game changer No 3: Launch of Rivo Mobile occurs in February.
- Fawad Khan, managed by JBnJAWS, signs on as brand ambassador for Samsung.
- Launch of Samsung S6 phone takes place in April.
- Launch of Huawei's P8 phone takes place in June.
- Launch of Huawei's Mate S phone takes place in November.
- The Pakistan Super League (PSL) draft event at the National Cricket Academy occurs in December.

2016:

- Launch of Huawei's Mate 8 phone takes place in January.
- Launch of Samsung's S7 phone takes place in March.
- Genesis dissolves and Cartel forms in April.

Source: Interviews with the founders of JBnJAWS Productions.

Exhibit 6: JBNJAWS' Featured News Articles

“The Next Big Thing!” – Sunday Times



“Do it like they do it!” – Dawn Images



“A mix of talent and style.” – The Nation

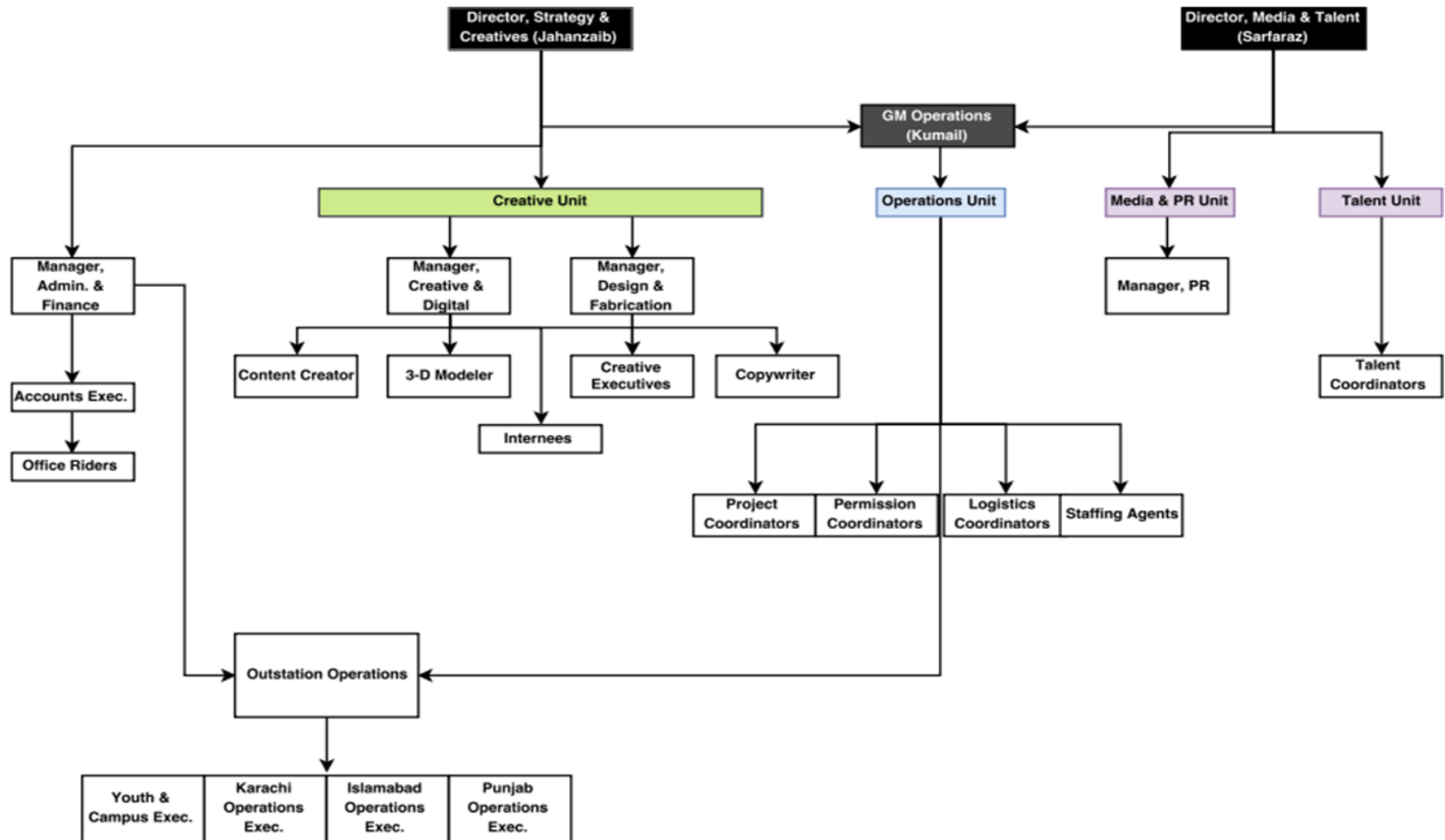


“Top 3 Event Managers” – The News Instep



Source: Company Archives

Exhibit 7: Organogram of JBNJAWS Productions



Source: Company Documents

Exhibit 8: JBnJAWS' Event Pictures

The Mobilink Jazba Tour (2012)



RIVO Mobile Launch Event at Expo Center Lahore (2015)



Pakistan Super League (PSL) Draft Event (2015)



Source: Company Archives