

Rise of a Bangladeshi entrepreneur in US

The Washington Post outlines Bangladesh-born Mahfuz Ahmed's journey to success with DISYS, a tech services company in Virginia

THE WASHINGTON POST

MAHFUZ Ahmed was an 18-year-old high school student in Dhaka, Bangladesh, in 1989 when his grandfather offered some advice.

"Go to the US and get educated," said his grandfather, a high-ranking civil servant in Bangladesh. The schools and infrastructure in Bangladesh were unreliable, and his grandfather said it could take far more than four years to earn a degree.

Ahmed, well educated and from an upper-middle-class family, took the advice -- the first of several strategic decisions he has made that has helped make him a multimillionaire.

He attended George Mason University and lived with an uncle in Great Falls to save on room and board. His mother helped him with the tuition, and he borrowed the rest from wealthy uncles and his brother. He graduated in December 1992.

Now 41, Ahmed is the founder and 80 percent owner of DISYS, a McLean-based technology services company with a name that Ahmed admits sounds boring. But its performance has been anything but.

DISYS nets about \$18 million in profit, employs 4,000 people, and every day goes head-to-head with such heavyweights as IBM, Deloitte and Accenture for the right to service Fortune 500 companies' technology systems. It has 28 offices, including 10 outside the United States, and most of the profit is reinvested for growth.

DISYS's jobs pay an average of \$120,000 a year, but it isn't an easy place to work. Turnover is 30 percent, and the pressure to perform is high.



Mahfuz Ahmed

For those with the stamina to grind it out, it's worth it. That includes the owner, who earns \$750,000 a year.

"The secret sauce is getting it done," said Ahmed. "Everybody has the good stuff. The question is, how many get it done? There are 100 plumbers. Why do you stick to one guy? One gets it done. A lot say they can play the game, but they can't."

Ahmed said he learned to be competitive growing up in Bangladesh, where 150 million people are squeezed into a space the size of Iowa.

"When you have that many people, the resources are very constrained. You are really good or you die, because somebody else is hungrier. It's Darwinism."

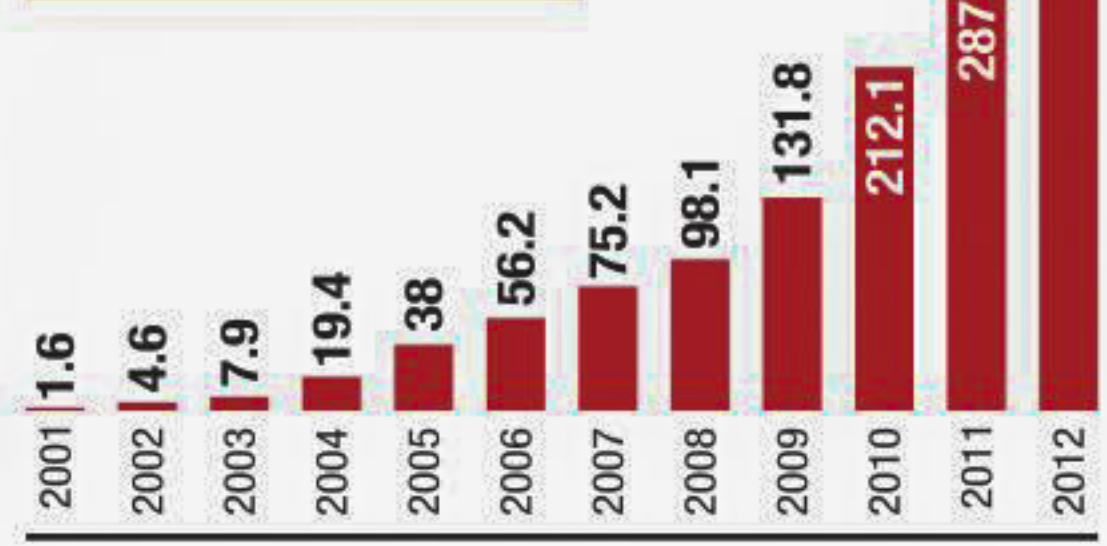
His grandfather and others (his father died when he was 6) advised him to get a degree in a technical field so he could make a living at it.

He studied engineering and computer science at GMU, where more than half of his engineering class was foreign-born. He graduated college hungry and looking for work.

"People in the US," he said, "take a lot of stuff for granted. You have water in your house when you turn it on. Any given day in Bangladesh, for three or four hours your electricity

DYSIS REVENUE GROWTH

IN MILLIONS OF DOLLARS



will go out. Everybody has private generators, which they use gasoline to fuel when the electricity goes out."

He wasted no time getting a job at Mobil, the big oil company that was headquartered in Fairfax County before it was acquired by Exxon. He worked in the technology department, earning about \$38,000 a year. He knew he would have to start his own company if he wanted real wealth, so in his off hours, he and some college tech buddies brainstormed on business ideas.

Over the next couple of years, his work at Mobil kept earning him promotions -- and raises. He kept coming up with new ways for the company to automate its computer functions, saving on the number of employees needed to accomplish basic computer tasks.

In about 1994, he and three friends launched DISYS, which stands for Digital Intelligence Systems. The boring name came when they were spitballing ideas while watching television. The idea was to take what Ahmed had been doing at Mobil -- servicing technology departments, cutting their costs and keeping them running smoothly -- and sell that service to other firms.

READ MORE ON B3

How to capitalise on the capital market

ALIA YOUSUF

BANGLADESH'S imminent international sovereign bond issuance has gripped the local economic and financial media.

What does it mean for the country? What does it mean for the country's private sector, which can follow in its footsteps and diversify its financing sources? More importantly, what does it mean for you and I?

For the public, the voters, the majority of the people who are not or do not feel like a part of the capital markets, can a bond issuance really make a difference in our lives, let alone make it better?

The short answer is yes -- the benefits of deep capital markets have extensively been documented. A critical part of any country's development is its ability to attract growth capital and effectively allocate this vital resource. Markets give the government and its corporate sector the chance to leverage its capacity and maximise potential. It also provides local and foreign investors the ability to mobilise savings and diversify their return potential. Borrowers and savers can both benefit from sensible, well regulated capital markets.

Why does a country issue a bond? It can be for several reasons -- to finance a particular project (Padma Bridge, for example), to finance a gap in the budget, to finance an external account deficit (when a country imports more than it exports and needs to fund the gap) or to finance investments for future economic growth.

These global bonds, typically known as Eurobonds, can be used to finance all types of government expenditure, including infrastructure projects, which often require resources that exceed aid flows and are long-term.

However, bond issuance can have larger implications than just filling

the government's expenditure gap. The interest rate charged on the bond serves as a benchmark for other issuers, like local banks and other private corporates. As the government slowly builds up a range of bonds with different maturities (called a yield curve), these provide a set of rates making up the risk-free rates for that country.

It is normally assumed that the government is the safest borrower in country; hence their borrowing rate is considered the risk free rate. So when the private sector borrows, they can use these risk-free rates as a starting point to calculate their own borrowing cost. The better the sovereign

work well when standards of reporting are strong enough to inspire confidence; market participants understand the risks they are taking and their responsibilities to one another and yet believe these to be justified by the returns available.

Capital market activity is self-sustaining, and our aim should be to establish markets that are liquid and do not rely on 'hot money' that can evaporate overnight. Exchanges, regulators and governments must think on a global basis and learn the lessons from successes and failures in neighbouring countries as well as other regions.

What is crucial for any country to focus on while trying to establish themselves in the international market is getting their own house in order. It is desirable to attract foreign investors in the country but building a long term local investor base is a lot more important for sustainable growth of the economy and its capital market.

A local investor base tends to be government backed pension funds, local and international insurance companies and banks, and institutional and retail mutual funds, among others. Long term investors can support growth and financial stability since the structure of their balance sheets provides the capacity to smooth their resources over the medium to long term. They are not prone to herd mentality and are able to retain assets in their portfolios in times of crisis and in this way, play a counter cyclical role. The government and multilaterals can help build this investor base by deep pension reforms (Latin America 2003 to present), providing guarantees for regional infrastructure projects (Philippines 2005), removing inefficiencies and hurdles created by taxation and regulation of local currency investment (Nigeria 2010), to name a few.

LOCAL PENSION FUND ASSETS

IN BILLIONS OF DOLLARS

	2002	2008	2011
BRAZIL	40	156	279
COLOMBIA	4	22	60

SOURCE: JP MORGAN

performs in its macroeconomic and political programme, the cheaper it will be for the country and its private sector to fund their growing operations. This access to funding is crucial for these businesses as they continue to outgrow the narrow saving bases of their home countries and their still-developing banking systems.

Growth of the corporate sector will have a much broader social economic multiplier effect than the government budget alone can ever reach. Without cost-effective financing sources, Bangladesh will struggle to reach its potential growth and will become increasingly vulnerable to the ever changing face of global trade and aid. And without access to the excellent investment opportunities available in our country, savers and investors, both locally and globally, will be denied some of the best opportunities Asia has to offer.

How can we get capital markets to work for Bangladesh? Capital markets

India ready for bilateral investment treaty talks with US



Anand Sharma

AFP, New Delhi

INDIA is ready for talks with the United States on a bilateral investment treaty to reinvigorate commercial ties between the world's two biggest democracies, a report said Saturday.

The announcement comes days after neighbouring China and the United States agreed to relaunch talks on a similar bilateral investment treaty.

"Yes, we are ready for it. We are in favour of a bilateral investment agreement," the semi-official Press Trust of India news agency quoted Indian Commerce Minister Anand Sharma as saying.

Sharma was speaking at the conclusion Friday of the Washington-leg of his official US tour but gave no timeframe for the treaty talks, the news agency said.

"Economic engagement in both trade and investment, though robust, is well below potential, given the opportunities a growing economy like India offers and the opportunities in the largest economy of the United States," Sharma added.

Sharma and Finance Minister P. Chidambaram have been in the United States this week meeting US political and business leaders to pitch for greater investment in Asia's third-largest economy.

They are seeking to spur India's economic growth which has been running at a decade low of five percent and boost the rupee which has been hitting lifetime lows.

"We would definitely be in favour of enhancing our economic partnership," Sharma said, adding the two countries' target of achieving \$500 billion in two-way trade by 2020 is doable. Bilateral trade between India and the United States currently runs at \$106 billion annually.

US legislators and business leaders have been pressing Sharma and Chidambaram to ease bureaucratic hurdles to make it easier for foreigners to do business in India and to step up reforms to liberalise the still heavily state-dominated economy.

"Over the last two years, we have felt a cooling when it comes to US interests in investing in India," Honeywell chief executive David Cote told the Press Trust of India separately.

Foreign direct investment in India has fallen in three out of the last four financial years amid investor worry over political paralysis and widespread corruption.

A farewell message to the telegram

MANSI THAPLIYAL for Reuters

AT 10pm on July 14, India will send its final telegram before the service shuts the following day, signaling the end of a service that has been going for over 160 years. It is the latest means of communication to be killed off by the mobile Internet age.

From families waiting to hear from their children who migrated to India's cities for work, to soldiers in remote areas for whom the telegram was the only way to stay in touch with relatives, the telegraph service has been used to connect millions of people across this vast country since the mid-19th Century.

Charged per word, some messages went on and on, while others chose to write single words like "love" -- a simple message to express how they felt.

Today at the Central Telegraph Office in the heart of New Delhi, most of the counters are unmanned. Thirty years ago, the office was packed full with 500 members of staff, working non-stop to send around 20,000 messages a day as customers waited in long lines. Now, that



Messenger Om Dutt, 56, leaves the Central Telegraph Office to deliver telegrams in New Delhi on July 10.

number is only 20.

Telegraphist Veronica remembers what it was like being in the office 30 years ago: "This room would be full of people, it sounded like a factory. We had no time to talk to each other or even exchange a glimpse." Messenger Om Dutt would deliver sacks of telegrams in the 1980s on his bicycle across New

Delhi. Now, as he stepped out of the office, he had only a handful to deliver, most of them to government departments.

In the early days, the office's telegraphists would type in Morse code. Now they use computers. Messages varied from mundane subjects, to family tragedies, to notes about major news events, all typed with the

same hands. It's how the office's staff stayed informed about what was happening around the world. Once the service is disbanded, the workers will be moved to other communication departments. Some are emotional about the closure, like Kamla Devi, and feel they are too old to begin something new.

I also met people who col-

lected telegrams. Ranjit Singh had some dating back to 1923, a collection made up of messages from other people as well his own to his loved ones, including a telegram to his wife on her birthday in 1955, the year they got married.

As the service approaches its final day, many people have rushed to the telegraph office in central Delhi to send their last, and in some cases also their first, telegram to their friends and families as a souvenir.

I met Saurabh who was writing a message to his four-year-old son. He said he wanted him to know what a telegram looked like once he got older. Meanwhile, Bulbul Tiwari, 73, sent one to her grandchildren, having sent her last telegram around 30 years ago when her niece was born.

Once I had finished taking pictures, in the evening I returned to the telegraph office without my camera to send a message of my own. As a memento, I wrote to my father, who lives in a village in the hills of north India, telling him this was my first and last telegram.

I wrote: "This piece of history is coming to an end. I hope you are doing well. I miss you. Love, Mansi."

Nokia's buyout chances in focus ahead of results

REUTERS, Helsinki

Next week could be crunch time for Nokia Oyj and its Chief Executive Stephen Elop in their battle to prove the Finnish mobile phone company can survive on its own.

Investors will be scrutinising second-quarter results to see whether there's enough cash to stay with a turnaround plan which Elop said would take two years but is now into its third.

Elop's bold bet in 2011 to adopt Microsoft Corp's untested Windows Phone software has yet to pay off, with no sign of catching Samsung and Apple Inc in smartphones.

Analysts also expect Thursday's results to show a steep fall in handset shipments,

led by a drop in sales of regular mobile phones as consumers switch to smartphones and cheaper models from Asian rivals.

Nokia's weak market position has made it a perennial target of takeover speculation, but such deal talk has intensified in the past month after a media report said it had held abortive talks with Microsoft.

The company's recent decision to buy Siemens AG's stake in their joint venture Nokia Siemens Networks is seen straining its balance sheet further when the deal closes later this year.

"I'm going to take a deep look at underlying cash flow," said Alandsbanken analyst Lars Soderfjell. He believed Nokia would stay independent for

longer as its current state was unlikely to warrant a good price, but he said a deal couldn't be ruled out depending on its finances.

"If it's not able to control cash, that might trigger strategic options," Soderfjell said.

Nokia earlier this month estimated its net cash position at the end of the second quarter was between 3.7 billion euros and 4.2 billion - implying it burned through between 300 million euros and 800 million in the quarter.

The upper end of that range would be worryingly high, some analysts said.

Most analysts, however, also saw the acquisition of Siemens' NSN stake in a positive light, saying the price was cheap given

NSN's turnaround in the past year. The formerly troubled unit is seen bolstering, rather than weighing on, Nokia's bottom line.

DUAL BATTLE
Despite that boost, Nokia still faces a challenging battle in both basic mobile phones and smartphones.

Basic phones still account for over half of its device sales, making them a market worth protecting. Yet analysts forecast quarterly shipments of basic handsets to fall 24 percent from a year earlier to 56 million units.

Smartphones are also seen crucial for its longer-term survival, due to their higher margins and as more consumers seek access to sites such as Facebook from their phones.

Analysts estimated smartphone shipments fell 19 percent to 8 million units as a decline in sales of outmoded Symbian phones canceled out growth in Lumia sales.

Nokia has launched a number of smartphone models this year in a bid to regain market share. On Wednesday, it unveiled its newest model, the Lumia 1020, with a 41-megapixel camera that some tech bloggers said was the best in the market.

Yet some still worry Nokia may be arriving too late to the game, just as it starts to show signs of saturation. Smartphone leader Samsung last week estimated its second-quarter operating profit was 9.5 trillion won, missing the market consensus of 10.2 trillion.