

data given to Star Weekend by the organisation's employees shows that an incredible majority of the drivers registered on the company's app do not have driving licenses, national identity cards and vehicle registration papers.

A project called Project Apollo was deployed by Pathao to increase compliance among drivers, and these are what the project found out: "majority of drivers are not compliant because of proper vehicle documents" and "strong communication strategy is a must here as drivers are less prone to update their documents".

Pathao is also operating blindsided because of government regulations, said some of its ex-employees. "I registered drivers, but I had no way of checking whether the NID and driver's license submitted were real, because the government never gave us any access to those databases," said one ex-employee.

Cornered

While money was drying up, local competition kept growing. Pathao's employees were laid off just three months after its closest local competitor

weeks preceding this mass firing.

Many of the campaigns directly led to customers taking more trips. But some like the campaign called "#EkShatheMovingBangladesh" was just money down the drain. "No significant change in average trip detected during campaign timeline," the company observed in a document.

There were many campaigns that were simply meant for visibility, with no immediate return in the form of people using Pathao more. For example, during Ekushey Boi Mela, Pathao published "Ogrojatrar Ogroduct 2" using Tk 1,97,000. During the same month, they pasted stickers on Toma taxis for Tk 2,50,000. Between May to June, the company also spent approximately Tk 5 lakh on a campaign called "Every Ride Matters". The most expensive spending was branding Gulshan Society rickshaws—approximately Tk 10 lakh was spent on this.

watches TV, especially their target audience. So what was the point?" The television commercial, featuring national cricket team captain Mashrafe Bin Mortaza, is one of the items under Pathao's media and TVC buying, which made up 57.7 percent of the Tk 13.8 million spent during May to June 15, 2019.

Too big to control?

When it first came to public wavelengths that the company was laying off 353 workers—the first question that came to many of our minds was, "how many employees do they have?" As put by some employees we spoke to, at the beginning of 2019, the company had around 1,500 employees (both permanent and contractual) excluding the riders.

Many of them were hired around 2017, the ex-employees said, with the company having at least 900 employees by the end of that year. The employees

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service, some accidents are bound to happen in a city where lawlessness rules the streets.

But data given to *Star Weekend* by the organisation's employees shows that an incredible majority of the drivers registered on the company's app do not have driving licenses, national identity cards and vehicle registration papers.

At least 76.1 percent of the drivers active on the street do not have any of the above, as per data from May.

All this is according to data given by the company's teams dealing with rides and compliance. *Star Weekend* verified that the documents were authentic, by checking the metadata properties of the document as well as cross-checking with multiple former employees. We do not, however, have the figures for May and June.

The percentage is even larger when taking into consideration the entire fleet of registered drivers—93 to 97 percent of all registered drivers do have at least a driver's license, NID and vehicle registration paper.

"I myself came across 60 drivers who had nothing but learners' permits," claimed an ex-employee who was laid off during the recent development. Many other ex-employees said compliance has been an issue.

Pathao has three tiers for compliance: "Minimum Compliant" where a driver has a driver's license or NID, and vehicle registration paper; "Business Compliant" where the driver has a driver's license, NID, vehicle registration paper, insurance paper, tax token and for cars, fitness paper; and "BRTA compliant" where the driver has all of the above and more, so as to be eligible for the BRTA enlistment certificate.

As per the figures, only 0.20 percent of all registered bikers were BRTA compliant, only two percent were business compliant and only five percent were minimum compliant.

Pathao's figurehead Hussain M Elius was asked about the fleet of drivers who are not even "minimum compliant" but this correspondent was yet to receive a response at the time of going to print.

Shohoz received Series B (i.e. second round) funding from six venture capital firms. Shohoz had received its first seed fund in 2015, the same year as Pathao, but while Pathao kept raising more and growing more for the following two years, Shohoz became a formidable competition only last year, when the company raised USD 15 million. Suddenly Shohoz's logo kept popping up everywhere—but most popularly on bike helmets, following the Road Safety movement.

Pathao's marketing expenditure of the last few months shows that it was feeling the heat. "Among the new (Uber Eats) and existing competitors (Uber, Shohoz, Foodpanda) we are not being able to stand out as the top trusted and beloved brand among all the campaign clutters," a company document given to *Star Weekend* states.

Data provided by employees from within the organisation, shows massive expenditures on marketing and PR—between May and June, the marketing department spent Tk 13.8 million. A major percentage of this consisted of media buying. This was just in the

Their marketing budget has always been big—in April, it was Tk 9.19 million, in February it was Tk 9.3 million and in January it was Tk 25 million. We did not have data for March.

"The amount of money they were pouring into these sections—we never realised that the company could be going through a cash crunch. We hosted six iftars during Ramadan!" expressed a current employee. During one of those iftars, which cost Tk 3.7 lakhs, only 83 of 500 people invited showed up, according to company documents.

While most industry bigwigs contacted refused to be quoted for this report, one social entrepreneur called Waliullah Bhuiyan wrote an article on LinkedIn.

"Your Marketing can kill you," he wrote. "I was surprised to see Pathao TVC when it came out first. I couldn't find any reason why Pathao should have a TV ad. Those who live in Dhaka knows about Pathao. Those who own a bike knows about Pathao. The money could be spent wisely. Being a tech company, Pathao knows nobody

and industry insiders also questioned how Pathao hired so many people if funds were not in the pipeline.

"The heads of the teams hired as they wished," several former employees alleged, "whether we needed people or not."

"I didn't know Pathao had such a big team," wrote Waliullah Bhuiyan in his LinkedIn article. "Keep in mind, most of the growth companies died because of hiring - or wrong strategy of hiring. Startups die because they run out of money, and the biggest cost is the human resource. Hire only if necessary or you can afford them with the existing runway. I think with \$10 m investment, Pathao hired too many people assuming that they are going to raise another round after a certain time. When they couldn't, they realized they need a longer runway and firing employees was the quickest way to increase that runway."

But a company that was slated to "disrupt" the traditional modes of doing business, ended up disrupting the industry in a way even they had not wanted.

