

# DEVELOPMENT THROUGH PARTNERSHIP

## Committing to contribute in the trajectory

**THE BOSSMAN**  
BY E. RAZA RONNY



Mr. Stephan Matthiesen has been working as the Finance Director at BAT Bangladesh since May 2019, and before that he's had over 14 years of experience in the company, developing and implementing commercial strategies for diverse markets all across the world. We sat down with him to talk about his career and his views on the Bangladeshi market.

Tell us more about your journey with BAT and your move to BAT Bangladesh.

My journey started with BAT in 2005, almost 14 years ago, as a Management Trainee in Germany in the finance function and since then I've had roles in departments such as treasury, corporate finance and mostly on the commercial side. I started my international career relatively early and had the opportunity to work in some fantastic places across the world. Japan, Sri Lanka and Hong Kong are some of the Asian countries I've worked in since my move to Asia in 2012 and I've been working as the Finance Director for BAT Bangladesh, one of our most reputed branches globally since May 2019. Having been exposed to over 30 markets across the globe, it's always fascinating to see different people from different cultures who think alike.

What is your evaluation on the current scenario of Foreign Direct Investment (FDI) in Bangladesh? In your opinion, what can we do to increase it?

Bangladesh is a country of tremendous potential. The younger middle-income generation is very well connected and displays an increasingly entrepreneurial mindset - a strong base for the economy going forward. To complement that, Foreign Direct Investment plays an important role. It's probably one of the most effective tools for transferring financials, capabilities, insights and technologies from a developed country to a developing one. For Bangladesh, macroeconomic factors such as the underlying GDP, the inflation rate, etc. look good, and multiple reports clearly indicate that Bangladesh is one of the next markets to soon move into the developed stage. A lot of things are in our favor, but we shouldn't close our eyes on the external landscape. Neighboring markets like India, or Vietnam, who recently signed a free trade agreement with EU, meaning lesser tariffs and fewer regulations, are growing as well. However, when it comes to FDI, Bangladesh saw a record number of USD 3.6 billion last year, and has been enjoying growth rates, while the FDI rate has been declining elsewhere.

When it comes to what can be done to increase it, we need to understand what environment foreign investors look for to invest. We call this "The ease of doing business"; the certainty and predictability in terms of legislation, tariff rates, less paperwork, clarity, etc. encourage foreign investors. A report published by the World Bank states Bangladesh ranks 176<sup>th</sup> out of

190 markets in this regard. This is an area Bangladesh needs to improve on.

How do you see BAT Bangladesh's performance in areas of corporate governance and responsible business practices?

BAT as an organisation has a mindset where both "how we do business" and the actual business results are equally important. Bangladesh is consistently raising corporate governance standards and BAT Bangladesh has always been at the forefront of it. We are consistently trying to improve further. We constantly work to reduce the environmental impact of our operation, in areas such as water usage, recycling, waste reduction and carbon impact. A few of our CSR activities, some going back 30-40 years, were pioneering, impacting the lives



of hundreds of thousands, if not millions of people on a daily basis. Our 3 CSR initiatives, which focus predominantly on access to clean water, renewable energy and afforestation are steps we are taking, that also help Bangladesh on its journey to a middle-income nation. We aim to continue doing that and are committed to doing more going forward.

In these couple of months, you have gained familiarity with Bangladesh and its people. What is your take on the future talent of Bangladesh and what would you advise them?

I had been to Bangladesh many times before I moved here, and every time I was amazed by the energy, passion, grit and positivity of the young people here. If you look at

Battle of Minds, our competitive recruitment platform, you'll see that the quality of the projects are very impressive, not only in the context of Bangladesh but internationally as well. The team from Bangladesh won the global round of Battle of Minds last year, not by luck but by the sheer quality of their proposals. I am sure it wasn't a one-off, there will be more to come.

My advice would be to channel this energy and drive effectively. We should always bear in mind the balance between the immediate impact of what we're doing and the longer-term impact we can have. Another advice is, stay curious throughout your career. Never assume you know everything and always challenge the status quo. It's also increasingly important to

build strong networks, not just within the organisation here, but also internationally. That's how we identify global trends, and as the environment changes, we'll have to change with it. Artificial Intelligence will probably replace a lot of the capabilities we needed in the past and increase the need for new capabilities. We often talk about new styles of leadership, forming teams behind you, having vision and also contextual intelligence, which allows you to take uncertainty as an opportunity. We try to create an environment that is conducive to learning of this kind. As we speak, there are 20 people from BAT Bangladesh working all across the world, learning these traits. We've done a great job of recruiting and training

these talented people and our vision is nothing short of being the top pick of talents across the BAT group.

What challenges do you foresee in the near future for a successful operation in Bangladesh?

Like any other company, our success will depend on our ability to understand consumer needs and being able to address these with products that exceed their expectations. Pricing, especially in the tobacco business, is a very important part of the consumer choice and in recent years we've seen sharp price increases as taxes have risen. Consequently, a lot of consumers are looking for more affordable solutions. A testament to that is the recent rise of illicit products in Bangladesh, which has grown by 5 times in the last 12 months. This is putting a tremendous pressure on the entire system, the legitimate industry and all its players, not just BAT Bangladesh. We also see its impact on the government losing out on tax revenue. We'll need to find ways to offer consumers a more affordable price with all the compliances met. That'll allow us to contain the rise of illicit products. We're already paying up to 81% in taxes, and a further rise in that will increase the use of illicit products even more.

How else can BAT Bangladesh contribute as a partner towards Bangladesh's journey of growth?

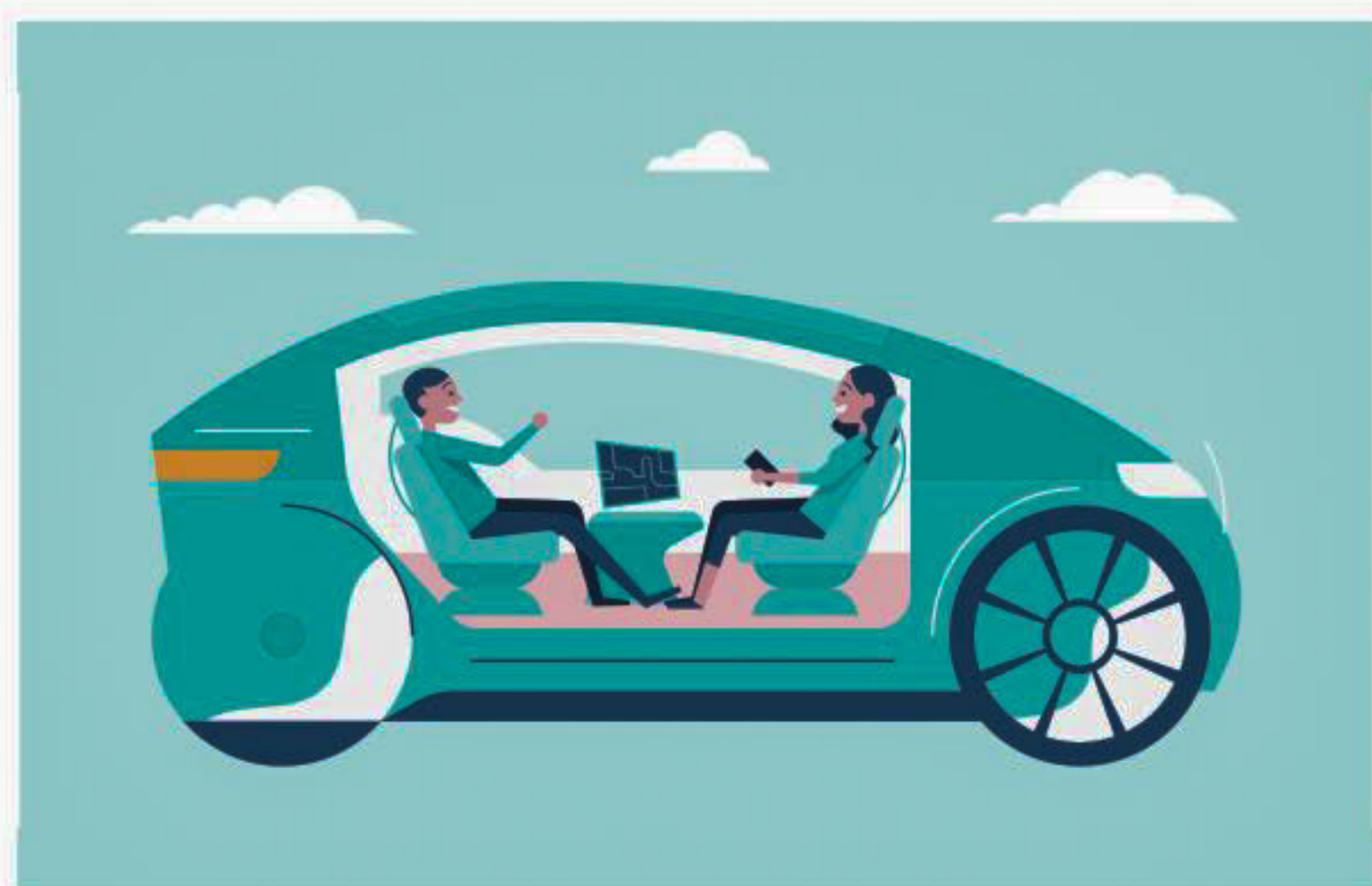
We're one of the highest tax payers in the country, having contributed approximately BDT 20,000 crore in taxes last year. Our ambitions are to be a stronger partner to Bangladesh. Some of the UN's Sustainable Development Goals that the government has announced resonate very closely with our own goals and our own vision for a preferred future. We are also keen to further explore public private partnerships and support the government in areas we can contribute to with the knowledge, capabilities and experiences that we have. Another area we'll focus on is the exports of our products. BAT Bangladesh has historically been only focused on the local market, but in the last few years, the government has provided us with a framework that allows us to export both leaf and finished good. Both will become increasingly important in the future, generating more revenue for the government. Bangladesh is a fascinating country, full of opportunities and prospects. We want to be a part of that and are committed to being a development partner of the nation.

## SIGNS THAT YOU'RE ON AUTOPILOT AT WORK

### AND WHY YOU SHOULD TRY AND GET OUT OF IT

Fresh graduates have a tendency to take up any semi-decent job that they can get, with the slightest bit of financial stability and societal value, even if the jobs never interest them. They often hope to get out of their jobs after a certain period of time to pursue higher education, entrepreneurship or any other alternative jobs or career options that they are truly interested in, but most often, it does not work that way. They tend to go into this autopilot mode in their career, where they find themselves in the sort of inertia where the opportunity costs of getting out of their current jobs seem way too high, mainly because of the financial security that these jobs provide. But this can hardly take their careers forward to their full potential.

Imran Bin Kamal (28), who has been working as an Executive Officer at a private bank in Dhaka for almost four and a half years, says that although he studied engineering, he applied to a bank job because of the security that it provided, since engineering jobs were not that promising right after he graduated. But instead of placing him into the IT department, the bank placed him in the core Credit Risk Management (CRM) team. "Since CRM is not rocket science, it didn't take me that long to learn my work. The placement was completely unanticipated, but initially I found it interesting to assess loan applications, visit business projects, monitor loan accounts and things like that. I even pursued an evening MBA degree to understand my job better. But over a short course of time, it became tremendously stressful for me to handle the workload. It is a lot difficult for me to maintain a personal life, and it's even worse because at this point I have realized that I'm sort of functioning on autopilot. Things



are even tougher if you don't enjoy your work, and realise that it's really not for you," he said.

Even if you feel like you're taking the right path in your career at the beginning of such jobs, there are some obvious signs that tell you that your career is getting into an autopilot mode.

#### WORK GETTING MONOTONOUS

"Dealing with the same things every day gets monotonous and tiring. This gets you working like a robot that runs the same procedures every day, and getting into this routine takes you even longer to realise that you don't want to do this anymore. It took me three years to figure that out," says Imran Bin Kamal. Your work life getting way too monotonous is the first sign; don't ignore it.

#### LOSING SCOPE FOR CREATIVITY

In an autopilot job, you don't have much scope for creativity and innovation of your own. This is a tremendous loss of potential that could be used for something meaningful. There is not enough opportunities for you to come up with new ideas and

implement them, which makes your work life extremely dull.

#### INERTIA AND NOT BEING ABLE TO SWITCH JOBS

Imran Bin Kamal says, "I always wanted to pursue entrepreneurship in the automobile industry. I still want to, but the reality of this subcontinent is that for a middle class person who has to support his family, it is close to impossible for me to leave my well secured job that gives me financial stability to pursue my own dreams, until I save up enough financial capital to start my own business and support my family at the same time. These are the factors that are affecting my decision whenever I consider quitting, and this dilemma has kept me from going through with it."

NAHALY NAFISA KHAN

Nahaly Nafisa Khan is an Economics major currently studying in Dhaka University. She procrastinates a lot, yet is obsessed with meeting deadlines. You can reach her at nahalynafisa@gmail.com.

## Making a DIFFERENCE

Bangladesh is rapidly moving towards middle income status by 2021. Our businesses definitely offer immense opportunities for the growing economy and this diversity needs a stage for the stories untold. See Bangladesh make its mark on the global map as Making a Difference brings you our proudest success stories from across the country.

## WHAT TO DO AFTER A POOR PERFORMANCE REVIEW

We are often told to keep ourselves motivated and give ourselves a well-deserved pat on the back for a job well done. However, the things we tell ourselves often contradict the way things really are. Sometimes, overconfidence takes over; we keep reminding ourselves what we're good at and what we are capable of. That's when an unexpected low review score shatters the delicate balance that we have created for ourselves. It's easy to get hot-headed and demand a re-evaluation but there are other ways you can accept it and move forward.

#### KEEP A POSITIVE PERSPECTIVE

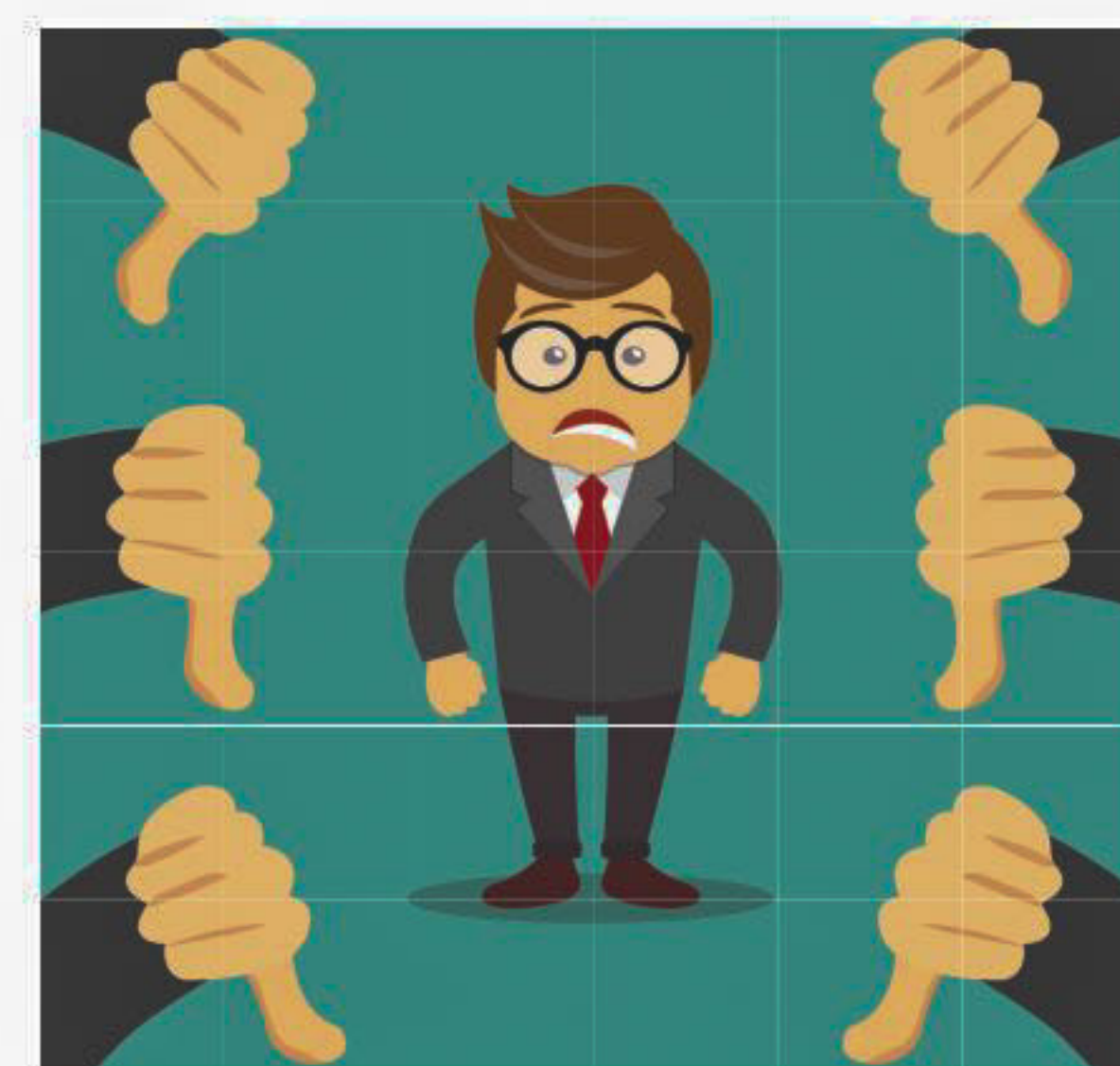
After you receive your evaluation, it's time to take a step back. Look at the reviews, comments or scores objectively. Compare them with how you evaluate yourself and use them as a guide on how to improve yourself. The hardest part is moving past your disappointment.

#### BEGIN AGAIN

After you have recalibrated yourself, set clear goals and challenge yourself. Set parameters to achieve on a regular basis and follow the evaluation diligently. Communicate with your supervisor/boss whether or not you are on the right track.

#### ARTICULATE YOUR GOALS

Goals merely stay as goals if you do not have a strategy or plan to go with them. Plan out a step-by-step guide for your KPIs. Gather all the resources you can get and maybe hit the books to make it more credible. If you want to aim for a better score next evaluation, discuss your achievements with your line manager. This will demonstrate your interest to improve yourself.



#### ASK AROUND

Often, there is a discrepancy between how we think of ourselves and how others perceive us. Evaluations aren't always about your KPIs or how much sales you brought in. It includes your attitude and how you are with your manager/colleagues. Ask a candid friend to give you the honest truth about how you might come across as to your colleagues. If you feel they aren't being honest, nicely but directly ask your manager or colleagues how they feel about you.

SHABIRA BENTA HABIB