

PriyoShop raises \$5m in funding

STAR BUSINESS REPORT

PriyoShop, a business-to-business (B2B) retail marketplace for micro, small and medium enterprises (MSMEs), yesterday announced the completion of a \$5 million pre-Series A round of funding.

The round was led by Century Oak Ventures, with participation from Evolution Ventures, Iterative, SOSV (Orbit Startups), GFR Fund, BonBillo, Accelerating Asia, South Asia Tech Partners and Voltity.

The participating investors came from San Francisco, Dubai, Indonesia, Thailand, Africa and India, with many choosing to invest in Bangladesh for the first time, marking a significant milestone for the country's startup ecosystem, PriyoShop said in a statement.

With this round of financing, the company will roll out transformative retail supply chain solutions designed to benefit businesses across various sectors.

Launched in July 2021, PriyoShop is working with small retail shops and major brands to transform and modernise Bangladesh's retail supply chain.

Through the company's marketplace model, PriyoShop helps small businesses efficiently source goods, gain access to consistent and competitive prices, and rapidly receive goods through next-day delivery.

Through the company's partnership with digital financing platform LankaBangla Financing, PriyoShop is further able to help MSMEs scale up their businesses through tailored credit facilities and access to supply chain financing options.

Partner brands and suppliers can utilise PriyoShop distribution services to handle a diverse range of products, including consumer goods, electronics, fashion items and more. PriyoShop has partnered with more than 200 major brands, including Pusti, Rupchanda, Teer, New Zealand Dairy, Pepsico and Coca-Cola.

The PriyoShop team is led by its co-founders Asikul Alam Khan, also chief executive officer, and Dipty Mandal, chief marketing officer.

"This funding marks a pivotal moment for PriyoShop and validates our commitment to empowering MSMEs in Bangladesh," Khan said.

"The capital will be strategically deployed to enhance our technology infrastructure, expand our reach and introduce innovative solutions, including our financing services, helping us better serve MSMEs and our retail partners," he added.

Khan also informed they have roughly 55,000 merchants on their platform and expects to positively impact over one million merchants in the coming year.

Pre-Series A funding refers to the stage of financing that occurs after the initial seed round but before the Series A round.

Education curriculum should be based on industrial needs Say employers

STAR BUSINESS REPORT

Education curriculum of private universities should be based on the needs of industries so that graduates can fulfil basic requirements, said employers yesterday.

Many graduates are not competent enough to meet the demands of industries, so entrepreneurs are left with little choice but to hire efficient employees from abroad, said AK Azad, managing director of Ha-Meem Group.

"If university graduates become similarly efficient, we could hire them instead of bringing in foreigners," he said while speaking at a daylong job fair jointly organised by the Career Guidance Office of the Bangladesh University of Business and Technology (BUBT) and Bdjobs.com at the BUBT campus.

There are foreign officials in various domestic organisations and a huge amount of money is spent on their salaries, he said. By replacing them with skilled local manpower, a huge amount of foreign exchange can be saved for the country. HTM Quader Newaz, a director of Standard Group, also recommended an education system based on industrial needs.

Prof Shafique Ahmed Siddique, former Chairman of BUBT Trust, was present as the guest of honour. Prof Muhammed Fayyaz Khan, VC of BUBT, and Prof Md Ali Noor, pro VC, were also present at the event.

Some 49 reputed organisations participated in the job fair as the venue bustled with activity among the participation of BUBT graduates and final-year students.



Currently, Shwapno has a network of more than 440 outlets, mostly in cities and towns. It plans to raise the number of stores to 4,000 in the next seven years.

PHOTO: COLLECTED

Shwapno aims to clock \$2b sales in seven years

Growing number of outlets and online sales to drive growth, says Sabbir Hasan Nasir, executive director of ACI Logistics

AKANDA MUHAMMAD JAHID

Shwapno has posted operating profit in the last two years and witnessed a nearly six-fold increase in sales in the past one decade. And the fastest-growing retail chain in Bangladesh hopes to maintain its momentum in the coming years.

"We expect a turnover of about \$2 billion in the next seven or eight years," said Sabbir Hasan Nasir, executive director of ACI Logistics, which owns Shwapno.

Currently, the brand has a network of more than 440 outlets, mostly in cities and towns. It is planning to widen its footprint by raising the number of stores to 4,000 in the next seven years.

Speaking to The Daily Star during an interview recently, Nasir discussed how the chain is growing to become a profitable company and reach the doorsteps of people.

When Shwapno started out in 2008, the acceptability of the brand was low, he said.

As it was going through a learning curve, the CEO of the company changed three times.

"My first responsibility was to make Shwapno acceptable to consumers," said the fourth CEO of the brand. He has been leading the company since 2012.

He said with continued efforts, Shwapno has become relevant to consumers. It has been the market leader in the retail chain sector since 2013.

"As a brand and organisation, Shwapno is phenomenally successful in making an operating profit."

The company has been

receiving the Best Brand Awards, an international competition that recognises the concept and design of brands from around the globe, since 2015-16.

"Now, consumers have accepted us as the number one brand. Our first target was to ensure the growth of the same-store sales, increase the portfolio, and make it acceptable to middle-class consumers," Nasir said.



Sabbir Hasan Nasir

The company has been making operating profit for two years while its operational cash flow has been in the positive territory for five years.

"On the other hand, if we consider depreciation and amortisation, we have been making profits for the last two years. This means the business is operationally successful and sustainable," he said.

Over the years, sales grew. In 2013, turnover was Tk 320 crore. Since then, it has surged six-fold to Tk 1,832 crore.

The gross margin, which measures a company's gross profit compared to revenues, has doubled to more than 18 percent, on the back of scale benefits as well as through its direct sourcing from

farmers.

"These indicators are telling that operational parameters are in good shape."

Nasir hopes the way the number of stores is increasing, the operating profit will keep rising and the same-store sales growth will grow.

"We have expanded our footprint without increasing debts. We have grown through our partners' investment."

Currently, the company is working on two fronts: raising the number of stores further and lifting the growth of same-store sales.

The company is also broadening its footprint by increasing loyalty, a key growth driver.

The CEO also talked about the challenges facing the retail chain industry.

Nasir pointed out some barriers, including the value-added tax and consumers' slow adoption of the idea of supermarkets, and finding suitable locations to open new outlets.

The disruption to the supply chain caused by the Russia-Ukraine war has emerged as another challenge for the sector, creating supply shortages for many products.

Another barrier is the restriction on imports slapped after a sharp decline of the country's foreign currency reserves.

Shwapno is running a lot of promotional campaigns to attract customers.

There are 4,000-5,000 products available on the shelves of the brand. The prices of a majority of them are not higher than those

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Communicating wellness through meaningful engagement

EKRAM KABIR

Many companies are quite serious about communicating wellness-related information to co-workers. They have realised that a healthy workforce is crucial for sustainable productivity and want to become humane institutions.

Most of these companies send emails, text messages, and video content to co-workers to remind them about the importance of health and wellness, inspiring them to exercise, jog, walk, eat nutritious food, give up harmful habits, etc.

That is excellent work. However, how many co-workers become conscious of caring for their health with that type of communication remains unanswered. No one knows how these communication media have helped them understand the importance of healthcare.

For the co-workers, emails regarding stress management, healthy eating, and physical activity don't mean anything. They are more interested in their key performance indicator (KPI)-related emails. Text messages get lost in an avalanche of other messages. They don't have time to watch video messages that sound like sermons and they feel sleepy during awareness workshops.

Many companies have realised that merely calling on co-workers to remain healthy does not work; instead, creating opportunities for taking care of their health by investing in various facilities is the best form of communication. Therefore, many companies have introduced onsite yoga classes, gym facilities, indoor and outdoor games, and outdoor team-building activities.

Onsite health screening has also made its way into our business arena.

We see a remarkable development in the wellness frontier in our corporate horizon. But do the companies have the courage to introduce a weekly vegan day in the office cafeteria? I doubt that. A meatless day may be possible, but a complete vegan day? Nay.

Many have started thinking about the mental wellness of their co-workers. Yes, investing in counselling facilities for co-workers has done wonders for some companies.

A few have introduced mental health days where co-workers are encouraged to take time off to focus on their mental well-being. Acknowledging the importance of mental health is like acknowledging someone's human entity, which, in turn, will make him or her more productive in the workplace.

Wellness communication needs to be participatory and engaging. We could host wellness challenges that motivate colleagues to engage in healthy behaviours, such as walking challenges or healthy eating goals, sleep contests, and leveraging the power of friendly competition.

I heard Philips in the Netherlands encourages its co-workers to bike to work by providing facilities such as bike storage and showers. This not only promotes physical fitness but also contributes to environmental sustainability.

Some companies in more prosperous economies offer workshops on financial wellness, addressing the link between economic stress and overall well-being and providing co-workers with knowledge and tools to manage their financial health.

In the business sector of Bangladesh, people suffer from financial pressures more than any other form of unwellness. Personal finance-related counselling may significantly reduce their stress and redesign their spending habits.

Engagements are more impactful in instilling a sense of wellness among co-workers. No matter how personalised, relevant, clear, and simple our messages are or how frequent and well-written they are, no one has the time and interest to receive them unless we create wellness opportunities.

Or, on a different plan, companies could earmark a wellness KPI for each co-worker – 10 points for keeping herself or himself healthy.

The author is a communications professional

Adani Group in talks with sovereign funds to secure \$2.6b

REUTERS, Bengaluru

India's Adani Group is in advanced talks with West Asia-based sovereign funds to raise up to \$2.6 billion for its airport expansion and green hydrogen projects, the Business Standard daily reported late on Sunday.

The Adani Group's flagship firm Adani Enterprises may reduce its stake in either the airport-holding firm or the green hydrogen business, or both, for investment funds, the report added, citing a source close to the development.

The timing of the fundraising is yet to be determined, but it is expected to be launched in the market by mid-2024, the newspaper said.

The Adani Group did not respond to a Reuters' request for comment. Billionaire Gautam Adani-led companies are offering an opportunity to infrastructure funds, which are keen on long-term investments in India, a banker close to the development said, as per the report.

A report by US shortseller Hindenburg in January last year, alleging wrongdoing, had eroded \$150 billion in the value of shares in Adani Group companies and forced it to scale back some of its aggressive expansion plans.

However, a Supreme Court ruling that the group does not need more scrutiny, along with investments from Abu Dhabi conglomerate International Holding and US boutique investment firm GQG Partners have restored investor confidence.

In 2023, the Adani Group raised funds from various entities, including Qatar Investment Authority, TotalEnergies and GQG Partners.

In January, the group said it would invest 624 billion rupees (\$7.52 billion) in the Indian states of Maharashtra and Telangana as part of its seven trillion-rupee expenditure plan for the next decade.

UK shoppers pick up their spending, signalling quick end to recession

REUTERS, London

British retail sales jumped by the most in almost three years in January as consumers recovered their appetite for spending, suggesting the economy could emerge quickly from its recession in the second half of last year.

Sales volumes increased by 3.4 percent from December, much stronger than the median forecast of a 1.5 percent increase in a Reuters poll of economists.

January's jump was the biggest since April 2021 and followed a 3.3 percent fall in December. That was the sharpest drop since January 2021 although the Office for National Statistics linked some of the weakness to popular Black Friday sales in November.

Excluding the coronavirus pandemic period, January's increase was the sharpest since at least 1996 when the ONS data was first collected.

"Overall, today's release was stronger than expected and suggests

the drag from higher interest rates on consumer spending is fading fast and points to the economy soon moving out of recession," Joe Maher, an economist with Capital Economics said.

Data published on Thursday

showed Britain's economy slipped into a recession in the second half of 2023 as the Bank of England's high interest rates to curb strong inflation took their toll on households and businesses.

But the economy is expected to



Shoppers walk past stores in Camden, London. British retail sales rose in January as consumers recovered their appetite for spending.

PHOTO: AFP/FILE