

Faculty Profile
Training Update

Engagement levels have increased X-folds within the FMCG E-commerce landscape. Will this lead to a paradigm shift in consumer behavior?

Testimonials



QUORUM

June' 2020 Edition
Catalyst for Change

Editor's Note...

Dear Readers,

We hope you have been keeping safe and healthy in these unprecedented times. PICG, like many other organizations, has taken precautionary measures and facilitated a work from home environment for the health and safety of our team.

As always, it is encouraging to see organizations and professionals alike show their support of best corporate governance practices by becoming members of PICG. Please join us in welcoming our following new members:

-  **Mr. Ahsan Mustafa Bajwa**
-  **Khyber Tobacco Company**
-  **Marie Stopes Society**

This quarter has been one of many firsts for PICG,

as we launched a series of free webinars and took all our trainings and workshops to online platforms. Details of the same are in our training update section. The featured faculty for the quarter is Mr. Badaruddin F. Vellani, who is a renowned lawyer in Pakistan's legal fraternity. This issue of the Quorum also features an article by Mr. Ahsan Kidwai, Category Director - FMCG at Daraz, which discusses the shifts in consumer behavior towards an e-commerce landscape.

We asked some of our program participants for feedback about their sessions and their kind words were overwhelming – please feel free to share our joy in the Testimonial section.

I trust you would enjoy reading our newsletter, feedback and input is always welcome.

Najia Ansari

Upcoming Events

Program	Duration	Delivery	Dates
Corporate Governance Leadership Skills (Director Training Program)	5 days	Via Zoom	August 4 / 5 / 6 / 11 / 12, 2020 September 15 / 16 / 17 / 22 / 23, 2020
Company Secretary Development Program	2 days	Via Zoom	September 1 – 2, 2020
Effective minute taking	Half day	Via Zoom	September 3, 2020 (first half)
Board Evaluation Workshop	Half day	Via Zoom	September 3, 2020 (second half)
Insurance Governance	Half day	Via Zoom	September 29, 2020 (first half)
Board Audit Committee Workshop	Half day	Via Zoom	September 8, 2020 (first half)

The following are also available online as in-house programs:

- Governance in public sector companies
- Ethical Dilemmas
- Companies Act / Code of Corporate Governance
- Finance for non-finance directors and senior managers
- Director Orientation Workshop

Faculty Profile

Barrister-at-Law, Advocate of the Supreme Court of Pakistan Senior Partner Vellani & Vellani Advocates Member, General Council of the Bar, UK, International Association for the Protection of Industrial Property, Asian Patent Attorneys Association, International Trademarks Association, InterPacific Bar Association, Pharmaceutical Trade Marks Group, Institute of Chemical Engineering, Law Asia, SaarcLaw, Pakistan Chapter of the International Chamber of Commerce, Member Task Force on Tax Administration.

Badaruddin F. Vellani is a partner of the firm and has been practicing as an advocate at Karachi since his return in 1982 after completing his studies abroad. In January 1984 Badaruddin F. Vellani became a partner in the firm.

His legal practice has concentrated on commercial matters, including corporate work, mergers, demerger, reconstructions, acquisitions, disinvestments, anti-trust matters and monopolies, corporate finance, project finance, infrastructure projects, building and construction contracts, and taxation, and has included litigation in the courts up to the Supreme Court.

In addition to his general legal practice, he advises on industrial property or intellectual matters including registration assignment and licensing of patents, trademarks, copyrights and Domain Names, unfair competition licensing and franchising, and litigation in each of these specialised areas of work.

The experience gained through his legal practice has led to his being invited to join the boards of directors of various companies representing the interests of foreign investors. He is presently a member of the board of directors of Unilever Pakistan Foods Limited, Shell Pakistan Limited, Wyeth Pakistan Limited, Novartis Parma (Pakistan) Limited, and Roche Pakistan Limited and Esso Pakistan (Private) Limited. Mr. Vellani has also a member of the Audit Committee and HR&R Committees in Unilever Pakistan Foods Limited and Wyeth Pakistan Limited and a member of the Audit Committee in Shell Pakistan Limited.

Mr. Vellani is also a Governor on the Board of Governors of Hissar Foundation (a not for profit foundation for water, food and livelihood security) and is also a Vice Chairman of the member of Board of the Pakistan Centre for Philanthropy.

Mr. Vellani is also a Chairman of the National Committee of the Aga Khan University Foundation Pakistan (since July 2006). Mr. Vellani

was the Chairman of the National Committee of the Aga Khan Foundation, Pakistan (from July 2006 to April 2017, Mr. Vellani is a Member of the Advisory Committee Constituted by the Board of Directors' of Development Corporation Pakistan Advisers (Private) Limited and parent Company Commonwealth Development Corporation, United Kingdom.

By Badaruddin F. Vellani

Mr. Vellani was also one of the initial members of the interim Trustee of the Habib University prior to grant of its Charter - 2010 - 2012 and was involved with the setting up of that University and the drafting of its Charter.

Mr. Vellani was until earlier this year a member of the ICC Court of Arbitration representing Pakistan.

Mr. Vellani is also an honorary faculty member at the Pakistan Institute of Corporate Governance, and is also certified by the Pakistan Institute of Corporate Governance.

Mr. Vellani was the Jurisdictional Council Member on the Council of the Inter Pacific Bar Association representing Pakistan.

He has also been the chairman of a working group for the setting up of a legal information foundation and in a project funded by the Asia Foundation for making the country's laws and regulations and the decisions of the Courts in Pakistan available through the electronic media including via the internet. He has also acted as a consultant on an Asian Development Bank sponsored project and carried out by the Asia Foundation for the Government of Pakistan on Pakistan Legal and Judicial Reforms. He has also participated in a Symposium organized and held in Manila in September 1999 by the Asian Development Bank on Secured Transactions Law Reforms. He is a member of The General Council of the Bar, Pakistan Industrial and Intellectual Property Association, the Asian Patent and Attorneys Association, the Pakistan National Committee of the International Chamber of Commerce and a member of the Task Force on Tax Administration.



Training Update

Faculty Engaged

- Jahanzeb Awan
- Feroz Rizvi
- Arjumand Minai
- Moiz Ahmed
- Ziad Chowdhary
- Tariq Ikram
- Sharjeel Ahmad
- Badaruddin F. Vellani
- Zaffar Khan
- Faheem Sardar
- Yasser Pir Muhammad
- Kamran Y. Mirza

By Najia Ansari

3

online

Total Certified Directors

1427

Director Training Programs

4

online

Webinars

7

online

Workshops

Engagement levels have increased X-folds within the FMCG E-commerce landscape. Will this lead to a paradigm shift in consumer behavior?

By Ahsan Kidwai

Over the last decade, E-commerce has rapidly gained popularity in developed countries, however, the channel remains vastly underutilized in the emerging economies. According to a recent report released by the **World Bank** (*Unleashing E-commerce for South Asian Integration*), E-commerce globally contributes towards **14%** of the total retail sales vis a vis only **2%** in the developing economies.

Although there are various reasons associated with the significant variance stated above, some of the underlying causes revolve around *low smart phone penetration & literacy rate, regulatory hurdles and lack of payment-friendly gateways*. However, the current unprecedented times have led to some drastic changes, where more and more people have started turning to E-commerce as a **“social-distancing friendly”** channel. This is more evident within the FMCG (mostly including essentials) landscape, where it's expected that the pandemic will permanently change the way people buy their monthly groceries.

It can be argued that the offline grocery stores have also witnessed a similar trend, however with the online ones, it has been observed that the **Daily Average Users** visiting platforms have increased X-folds. This is further supported by the swiftness with which *offline giants* have also entered the E-commerce environment, within days of the pandemic striking the nations. *Many new startups have propelled* on the horizon - again serving customers at home. **Change is being welcomed and habits are fast adapting.**

Amongst the emerging economies, let's take Pakistan as an example as it recently launched its first **E-commerce Index** curated by the pioneers of E-commerce in the country, **Daraz**. The index depicts how the FMCG category on the platform **doubled** its contribution in March and is expected to be at **70%** of the total business in April. Could this imply that consumers are *panic buying and stocking up*? We wouldn't say so. Knowing the purchasing power in general and given there has been a surge for two consecutive months, there's definitely more to it. So what exactly is happening?

There has been an **organic increase in E-commerce customer base**, where consumers have turned to various e-trailers in these challenging conditions. Fruits & Vegetables

(F&V), a category which was synonymous to self-picking the produce from street vendors is also moving online, where DFresh (Daraz' in-house F&V brand) has seen a **9X** increase in its order count. And now that consumers have adapted to buying perishables online, they are likely to visit E-commerce platforms more frequently and therefore drive **repeat purchase**.

Times are fast changing in emerging economies and we are likely to see a gradual shift in consumer behavior from the traditional



COVID-19 IMPACT ON E-COMMERCE



DFresh: the fruits and vegetables channel on Daraz, has witnessed an order uplift of

9X



Orders for hand sanitizers and liquid hand washes has increased by

18X



Contribution of FMCG category has doubled in March and is expected to go up from 20% to

70X

Brick & Mortar stores to buying online. It will be a slow and steady transition, but the change has started happening. **However, how quickly can the emerging economies reach the 14% contribution mark; remains debatable.**

Mohammad Ahsan Kidwai is a Category Director - FMCG at Daraz (Alibaba Group). He is a Masters in Innovation and Entrepreneurship from the University of Warwick and a Bachelors in Business Studies and Economics from the University of Manchester. A seasoned Sales Management professional, having a rich experience of 8 years within the FMCG sector in leading organizations such as GlaxoSmithKline - Consumer Healthcare, Unilever and Dayfresh Milk.

Testimonials

We asked a few program participants to share their views and found their responses overwhelming!

Attending a Virtual Training with PICG on “Corporate Governance Leadership Program” was Pleasure. From Beginning till End the Program kept me engaged. The quality of Course Material as Well as Trainers were Very High. Sometime Participants share a Great Diversity and Knowledge which made this training More Interesting. Highly Recommended!

- **Irfan Munir**, Director at Din Group

The guest speakers were highly qualified, well acquainted with the board rooms cultural norms and best practices. Overall the CGLS – Director training program has equipped us with essential tools and guidelines that must be followed by all leading Board members across the globe. Furthermore, the insights and knowledge gained from the experiences of the esteemed speakers will be fruitful moving forward.

- **Mustafa Merchant**,
Assistant Manager II at Indus Motors

It was a great honour to be part of such an elite forum where ideas on Corporate Governance were mutually exchanged and well deliberated. The quality of content was impressive and the presentations were commendable. This experience will go a long way in my professional growth / transition to Corporate level Governance and will help me in fulfilling future roles and assignments. My special thanks and best wishes to the Organizers and the Faculty of PICG.

- **Major Gen. Abid Rafique (Retd)**,
Director Services at Fauji Foundation

I attended the Corporate Governance Leadership Skills – Director Training Programme, which PICG conducted virtually in June 2020. Course curriculum that PICG has designed in coordination with International Finance Corporation (IFC) covered all the topics that any Corporate Governance Practitioner would find practically useful. With the wonderful L&D team, trainers and cohort, I was bound to have a memorable experience. In short, I joined the course wanting and left it fulfilled

- **Atif Hafeez**, Country Head, Chief Financial Officer and Board Member at IBEX, UK

A CORE REFERENCE
DOCUMENT FOR BOTH
EXECUTIVE AND NON-
EXECUTIVE BOARD MEMBERS

CORPORATE GOVERNANCE FRAMEWORK (BOARD CHARTER)

Tailored to address the unique
needs faced by your organization