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TORQUE360: Expanding a Woman-run Business

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Abstract: From a hopeless Human Resource Manager to an active Blogger and then from a Blogger to a successful entrepreneur, Saadia's journey is a perfect example "live your dreams". In order to utilize her technical, non-technical and managerial skills, she always wanted to run a successful consultancy firm. At initial stages, she started providing marketing assistance to some of her national and international social media marketing clients. Within a month, she managed to offer various consultancy services (Enterprise Management, Marketing and Advertisement, Information Technology and Human Resource Management). Saadia was now planning to expand her virtual business by establishing her first traditional office setup in Lahore. But, at the same time, she wondered how she would manage to run a traditional setup and, most importantly, whether it would be a good idea to expand a Virtual Business Consultancy Firm to a Traditional office setup. This case study is designed to teach some important Management Sciences and Business concepts. Learning outcomes include: small and medium enterprise management, women entrepreneurship, Virtual/traditional business expansion and its pros & cons.

Keywords: Entrepreneurship, Women Entrepreneurs, Small and Medium Enterprises, Consultancy Services, Business Development, Women-run Businesses

CASE BACKGROUND

Wednesday 28th February, 2018 was Saadia Mazhar's day. With a blushing face and a proud smile, she was celebrating her day with none other than her own amazing self on completing one successful year of her Virtual Business Consultancy Firm 'Torque360'. Walking on a side-walk; rushing back home to start working on her new project, she couldn't stop thinking about the twists and turns of her one year journey as a firm's Chief

Executive Officer. Being a researcher, mother of a son, wife of a businessman and now an Entrepreneur, Saadia was living a hectic life but that's how she always wanted it to be.

From past few years, 'Torque360' was providing consultancy to freelancers and trainers to connect them with their clients/customers and trainees through a safe, transparent and fairly compensated channel without compromising on product/service quality. Saadia was satisfied with her annual performance as getting projects on regular basis was no more an issue for her newly established firm. Stepping into her study room, she wondered how she would single handedly be able to manage her first Office Setup she planned to open in Lahore after winding up some important ongoing projects. She was also pondering whether it would be a good idea to expand a Virtual Business Consultancy Firm to a Traditional office setup.

SADIA MAZHAR - THE ENTREPRENEUR

A blogger, a researcher, a trainer, and a WordPress Developer, Saadia Mazhar completed her MBA with specialization in Human Resource Management from Lahore Business School (University of Lahore) back in 2014. She was a member of UOL Dramatics Club, LB-IETS Society, Entrepreneurship Society and Sports Society. She also represented Lahore Business School as a Women Cricket Team Captain in the Lahore Sports event 2014. Saadia worked for three different recruitment firms as a junior Human Resource Manager but it was not long before she realized that being an employee was not her cup of tea. What bothered her was the fact that middle/lower level managers were not allowed to share and practically implement their innovative ideas as, according to the company policy, they had to follow some strict personal/professional rules and regulations. Saadia always dreamed for an empowered and stress-free working environment so, she decided to be her own Boss and became an entrepreneur.

After exploring various entrepreneurial areas of business, she decided to go with the concepts of providing various technical/non-technical consultancy services to both national and international clients. After few months, she managed to establish a proper home based start-up 'Torque360'. Sharing her experience as a successful blogger and, at the same time, an entrepreneur, Saadia said:

"Blogging was never my passion, it was just an interest. I always tried to make sure not to limit my knowledge and expertise to Blogging only. I believe, with the help of 'Torque 360', all of my scattered goals are unified into one mission i.e. to utilize my managerial skills for providing consultancy services to different Information Technology, Human Resource, Marketing and Business clients."

SMALL AND MEDIUM SIZED ENTERPRISES IN PAKISTAN

According to 'Prudential Regulations for Small & Medium Enterprises Financing' report published by state bank of Pakistan, a Small Enterprise(SE) can be defined as a business setup with maximum 20 employees (including contract employees) and sales turnover(annual) of Rs.75 million. While Medium Enterprise (ME) can typically be classified into two areas of business i.e. Trading Sector and Manufacturing / Services Sector. A medium enterprise can be defined as a business setup with employment size ranging between 21-50 employees for trading sector and up to 250 employees for manufacturing/services sector. The annual sales turnover range between Rs.75 million-Rs.400 million for all three (trading, manufacturing and services) sectors of medium enterprises (Pakistan, 2016).

WOMEN ENTREPRENEURSHIP

Context of this case study is based on women entrepreneurship and expansion of womenrun small businesses. Women Entrepreneurship is important for not only empowering women but also for providing various business opportunities to skilled and educated young girls.

In developing countries, women entrepreneurs are significantly contributing in formal/informal economic growth by utilizing their innovative skills in different fields of business(Bruin & Brush, 2007; C. Brush, Carter, Gatewood, & Greene, 2006; C. G. Brush, Bruin, & Welter, 2010; C. G. Brush & Cooper, 2012; Cetindamar, Gupta, Karadeniz, & Egrican, 2012; Welter, 2009). Many researchers have also emphasized the importance of home based women-run businesses (Kellett & Tipple, 2000; Roberts & Chrisman, n.d.; Walker, Wang, & Redmond, 2008).

Melanie, Neuhaus, & Melanie (2012) observed that women entrepreneurs usually prefer to run a home based startup in order to maximize profit and minimize cost by managing the overall impact of internal/external environmental factors. Results of different quantitative and qualitative research studies have shown that a woman run business setup has greater growth potential compared to a firm run by a businessman (Breen, 2010; Breen & Karanasios, 2010; Clark & Douglas, 2013; Wynarczyk & Graham, 2013). Despite the fact that women entrepreneurs are more innovative than their male counterparts, they normally follow a gradual growth process due to their family commitments and unavailability of financial resources (Breen & Karanasios, 2010). In order to support female entrepreneurs of Pakistan, Small and Medium Enterprise Authority (SMEDA) has introduced various enterprise management programs including "Women Business Development Center (WBDC)", "Capacity Building Programs", "Pre-feasibility Studies for startups",

"Opportunity in Exhibitions", "Marketing Assistance", "Business Plan Development", "Facilitation for Financing", "Training programs for Entrepreneurship Development", "Technical Assistance" and "Industry Academia Linkages" ("Women Entrepreneurship Initiatives," n.d.). SMEDA has also divided its clients (women entrepreneurs) into three different categories as:

- Women Entrepreneurs running home based businesses (Searching for an attractive location)
- Skilled and highly motivated Women (Searching for a business affiliation)
- Skilled women with 'to do or not to do' mindsets (Searching for business assistance)

In Saadia's case, she always observed that running a woman owned virtual setup (especially in a developing country like Pakistan) is not an easy task but she was also aware of the fact that concepts like 'liberation' and 'empowerment' are directly associated with selfmotivation.

THE 'TORQUE360'- THEME

Torque 360 SMC Pvt. Ltd. is SECP registered startup, operated from home, by Saadia Mazhar, who is the Managing Director of the firm. From the day one of her entrepreneurial career, Saadia was very concerned about the name of her start-up. Keeping her entrepreneurial theme in mind, she decided to merge a scientific term "Torque" with a management term "360 Degrees Feedback" as Saadia explained:

"Basically, when two opposite forces are applied on something, a resultant "torque" is produced causing an equilibrium state which leads to stability. In business terms, when individuals with opposing arguments work together, profitability increases. On the other hand, "360 Degrees" is the concept of getting feedback from others before taking a final decision about a specific task/situation. So, the main theme of 'Torque360' is to get knowledge from all available resources".

Vision Statement: "Bridging the gap between mentors - trainees, freelancers – clients and startups -customers".

Mission Statement: "while focusing on the existing needs of mentors as well as freelancers and startups, we aim to connect them to their trainees, clients and customers through a secure medium".

Aims and Objectives: 'Torque360' aims at:

1. Developing business society on a larger scale

2. Connecting trainers and trainees

3. Organizing different trainings, marketing facilitation and development sessions for startups and freelancers

Talking about her aims and objectives, Saadia added:

"Running a successful business to earn money was never my dream, it was just a milestone. I always wanted to be an entrepreneur to learn more and more about business risks and uncertainties. Experiencing all advantages and disadvantages of being an employer/employee was the main reason behind setting up an enterprise"

At initial stages, Saadia was virtually providing marketing assistance to her national and international Social Media Marketing clients. Soon, after successfully completing some of her marketing and management projects, she started offering various consultancy services to her existing and new clients by introducing the concept of 'one step solution' (see Exhibit 1 to understand and visualize the concept of 'one step solution'). These services include Enterprise Management (Incorporation, Business Idea - Business Establishment (Prerequisites of Business Setup and IT in Business), Marketing and Advertisement (Social Media Marketing and Management, SMS Marketing, Corporate ID and Branding, Graphic Designing for Business, Email Marketing and Content Creation - Write-ups, Images and Videos), Information Technology (Mobile App Development, Web Development and Designing, Management System, Software/Product as a Service - SaaS/PaaS) and Human Resource Management (Recruitment and Selection, HR Strategies Designing, HR Audits, T&D).



Exhibit 1 – 'One Step Solution' Theme Source: www.torquethreesixty.com

During the business development phase of Saadia's entrepreneurial setup, following three business models (please refer to Exhibit 2, 3 and 4 for Business Development Models) were introduced by 'Torque360' in order to create bridge between:

- 1. Trainers and trainees
- 2. Freelancers and clients
- 3. Startups and customers



Exhibit 2 - Training and Development; Exhibit 3 - Marketing Facilitation for Start-ups

TORQUE360: Expanding a Woman-run Business



Exhibit 4 – Model 3 Marketing Facilitation for Start-ups

Source: Torque360 Company Profile

After successfully running an unregistered home based business for eight years, 'Torque360' got certification of incorporation and officially became a registered enterprise in year 2017. After few months, the firm joined Call Courier, for its product delivery needs and also partnered with Microsoft by getting their BizSpark subscription.

WHAT NEXT?

Training and Development

Saadia has recently posted her upcoming training and development programs on her official website (see exhibit 1 – Figure E2 for official web page) and social media pages (Facebook, Twitter, and LinkedIn). Some of firm's future T&D offers include Linguistics (English, German, French, Spanish, Italian, Chinese, Japanese and Arabic), Management (Human Resource System Development, Human Resource Development, Human Resource Planning, Strategic Management, Corporate Social Responsibility, Strategic Marketing, Negotiation Skills, Business and Corporate Law, Enterprise Resource Planning, Technology Integration in Management, Management Information Systems and Entrepreneurship), and Technology (Android Development, Web Development, Web Designing, C++ Programming, C Sharpe Programming, Database Management Systems, E-Commerce, Freelancing, Robotics, Artificial Intelligence, Augmented Reality, Virtual Reality, Mobile Applications and Mechatronics).

Electronic and Print Media Projects

In January 2018, Saadia signed an agreement with a production house to provide digital marketing and composition services for a Pakistani movie 'Kailasha'. According to managing director of the firm:

"For me, it was more like a dream come true! It obviously is an honor for us to work with a renowned production house of Pakistan. The concept of movie 'Kailasha' is about the people living in kailash (District Chitral, Province

Khyber Pakhtunkhwa - Pakistan) and it will hopefully be resealed soon here in Pakistan".

THE WAY FORWARD - ANOTHER BEGINNING

After making her virtual home based startup a huge success, Saadia was now planning to expand her entrepreneurial setup by establishing Torque360's first traditional office setup in Lahore, Pakistan. Building on her extended business network of clients and freelancers, she was preparing to launch an exciting marketing campaign to attract local, national and international clients.

Saadia already knew that, from past few years, many women entrepreneurs are successfully running their small and medium enterprises in Lahore. She was mainly concerned about the promotion strategy, recruitment process, budgeting plan and the physical location to attract relevant clients. She discussed her ideas with her friends/family members and also critically analyzed her past and present experiences of managing a home based business. She started considering the advantages and disadvantages of opening up a traditional office setup. While counting the pros she observed that, in order to ensure the satisfaction/loyalty of client, an entrepreneur's face to face communication with her customers is very important. On the other hand, in Pakistan, managing a traditional office setup single handedly is not an easy task for a woman as it involves many financial, cultural and security issues.

She took a deep breath and turned on her laptop wondering whether her business expansion plan would actually be favorable for her own self (as an entrepreneur) and for 'Torque360' (as a consultancy startup).

CHALLENGES AND GROWTH BARRIERS

Despite the fact that a virtual setup provides flexible working environment for both business owner and employees but, at the same time, disadvantages associated with such ventures cannot be ignored. Talking about the ups and downs of her business journey, Saadia highlighted some of the most critical issues in running a virtual setup. At initial stages, establishing a profitable business becomes challenging for an entrepreneur in terms of finding target customers and funding resources, marketing and advertisement, recruiting skilled employees as well as getting legal and administrative support from local government. In addition, balancing work and family life is another factor which inhibits female entrepreneurs in sustaining a virtual setup for a longer period particularly in a male dominant society like Pakistan. Moreover, in a dynamic business environment, it is important for an entrepreneur to be aware of market demands in order to gain advantage over its competitors. But, unfortunately, running a business virtually limits face to face communication between the entrepreneur and the end user due to which entrepreneurs usually fail to meet continuously changing needs of customers. On the other hand, Saadia observed that a traditional office setup helps entrepreneurs in growing their business networks more efficiently as the communication gap between clients, employees and competitors gets minimized. Furthermore, Access to financial resources becomes comparatively easier for a registered traditional business venture as both government and non-government organizations usually prefer to fund an established physical setup.

DISCUSSION QUESTIONS

Question 1: Do you think Saadia was right in her decision about quitting the job and setting up her own business? Please justify.

Question 2: Which obstructing factors are involved in expanding a virtual consultancy firm to a traditional office set-up?

Question 3: Would it be Saadia's smart move to invest her time, money and other resources on a new enterprise rather than investing on the growth of an existing virtual setup?

NOTES

The entrepreneur Saadia Mazhar was interviewed by the author on 15th April, 2018 in Lahore, Pakistan. Firm details provided in this case study have also been published in different Business Articles and Magazines. Torque360's upcoming project "Kailasha" is expected to be the best and the most successful project of the firm.

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IIUM Journal of Case Studies in Management, Vol. 13, No. 1, 2022 🔀 36

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IIUM Journal of Case Studies in Management, Vol. 13, No. 1, 2022 👹 37