

# RISK ANALYSIS AND MITIGATING STRATEGY REPORT

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**Submitted By :**  
Aalam Aulakh & Co. (Chartered Accountants)

## **Mountain View Tech Park**

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This report examines the diverse risk factors surrounding the proposed Mountain View tech park, categorized into external and internal risks.

By identifying these risks, the report aims to outline targeted mitigation strategies that align with the broader economic and social objectives.

These strategies aim to bolster the resilience and longevity of the Mountain View tech park, ensuring its pivotal role in fostering innovation and economic development.

By conducting a thorough risk analysis, informed by input from stakeholders, the report provides actionable recommendations to address vulnerabilities and capitalize on opportunities for advancement.

Implementation of these strategies will enable stakeholders to cultivate a dynamic and sustainable tech ecosystem, driving technological innovation and economic prosperity in the region.

Sr No.	Risk	Impact	Likelihood	Risk Level
<b>External Risks</b>				
1.	Social Integration Challenges	High	High	High
2.	Competition and Pricing	Medium	Low	Low
3.	Security Risk	High	High	High
4.	Lack of Government Incentives	Low	High	Medium
5.	Regulatory Challenges	Medium	Medium	Medium
6.	Uncertain Market Demand	Low	Medium	Low
<b>Internal Risks</b>				
1.	Community Sensitivity	High	High	High
2.	Limited Existing Ecosystem	Low	High	Medium
3.	Technology Obsolescence	Medium	Medium	Medium
4.	Uncertain Return on Investment (ROI)	Medium	High	High
5.	Difficulty Attracting Tenants	Medium	High	High
6.	Difficulty Attracting Tenants	Medium	High	High
7.	Operational Challenges	Low	High	Medium
8.	Collaboration Barriers	Low	Medium	Low
9.	Financial Risks	High	Medium	High

Risk Factor	Explanation	Likelihood L	Impact I	Risk level (I*L)	Mitigating Factor
External Risks					
<b>1. Social Integration Challenges</b>	Given the history of unrest in the area and possible lack of tolerance for outsiders, the STP may encounter resistance if it is unable to adequately involve the local community. For the project to be successful, proactive steps to guarantee diversity and address community concerns are essential.	High	High	High	<ul style="list-style-type: none"> <li>• Prioritizing local community hiring and providing awareness sessions and training opportunities for residents, thereby creating employment opportunities and promoting economic empowerment within the community.</li> <li>• Implementing regular community engagement sessions to foster dialogue, build trust, and address concerns among local residents.</li> <li>• Providing cultural sensitivity training for tech park staff and tenants to facilitate better understanding and respectful interactions with the local community</li> <li>• Implementing CSR programs focused on community development, such as offer vocational training in tech-related fields to equip community members with the skills needed for employment, establishing tech education initiatives in local schools to enhance digital literacy and interest in STEM fields, creating community tech hubs that offer free internet access, training workshops, and resources for local entrepreneurs and students.</li> <li>• Establishing effective mechanisms for resolving conflicts or grievances that may arise between the tech park and the local community, such as</li> </ul>

					mediation processes or community liaison officers, to address issues promptly and prevent escalation.
<b>2. Competition and Pricing</b>	<p>Although there is currently competition, the projected STP would be the first facility of its kind in the province. Co-working and dedicated office spaces with IT equipment are available at locations such as small scale STPs (02) and universities such as BUIITEMS.</p> <p>Tenants, particularly price-conscious startups, may face competition from these current options. These facilities however are still on a modest scale, though, and currently do not have enough area to fully satisfy demand of startups, freelancers and science and tech companies as it is.</p> <p>MoIT's proposed STP's progress plans remain uncertain however it poses a serious risk going forward.</p>	Low	Medium	Low	<ul style="list-style-type: none"> <li>• Identify and emphasize distinctive features and benefits of Mountain View Tech Park beyond just space, such as state-of-the-art facilities, specialized services, or industry-specific support programs.</li> <li>• Offer additional amenities and services that set Mountain View Tech Park apart from competitors, such as advanced IT infrastructure, networking opportunities, mentorship programs, or access to funding resources.</li> <li>• Implement flexible pricing models, discounts for long-term leases, or value-added packages to remain competitive with existing options, especially for price-sensitive startups.</li> <li>• Develop targeted marketing campaigns highlighting Mountain View Tech Park's unique value proposition and benefits tailored to the specific needs and preferences of target tenant segments.</li> <li>• Form strategic partnerships with industry associations, incubators, accelerators, and venture capital firms to enhance Mountain View Tech Park's credibility, visibility, and access to potential tenants and investors.</li> <li>• Stay agile and responsive to market dynamics by continuously innovating and improving offerings based on tenant feedback, emerging trends, and changing demands in the tech industry.</li> </ul>

<b>3. Security Risk</b>	The area may be deemed "high risk" because of possible religious disturbances and activities that could discourage businesses, particularly larger ones, from establishing operations. This belief may make it more difficult to find tenants.	High	High	High	<ul style="list-style-type: none"> <li>• Implement comprehensive security measures, including surveillance systems, access controls, and security personnel, to ensure the safety and protection of businesses, employees, and assets within the tech park.</li> <li>• Forge partnerships with local law enforcement agencies to enhance security coordination, intelligence sharing, and rapid response capabilities in case of security threats or incidents.</li> <li>• Develop and implement risk mitigation strategies tailored to the specific security challenges and concerns prevalent in Balochistan, such as insurgency, terrorism, or criminal activities, to reassure potential tenants of their safety and well-being.</li> <li>• Seek assurances and support from government authorities at the provincial and national levels to address security concerns, provide regulatory clarity, and create an enabling environment for investment and business growth in Balochistan.</li> <li>• Secure endorsements and testimonials from established companies or organizations that have successfully operated in Balochistan or similar high-risk areas, highlighting their positive experiences,</li> </ul>

					resilience, and achievements to inspire confidence and credibility among potential tenants.
<b>4. Lack of Government Incentives</b>	The STP's success is strongly contingent on government support through incentives. This could include tax breaks, designation as a Special Technology Zone (STZ) under the STZA Act, or even applying for special exemptions if the area doesn't meet STZ requirements. Additionally, government allocation of funds through PSDP might be necessary to incentivize local companies and operators to set up within the STP.	High	Low	Medium	<ul style="list-style-type: none"> <li>• Pursue designation as a Special Technology Zone (STZ) under the STZA Act or explore alternative mechanisms for special exemptions or incentives if the area doesn't meet STZ requirements, leveraging the benefits of such designations to attract tenants and investors.</li> <li>• Engage in ongoing dialogue and collaboration with government stakeholders, including elected officials, policymakers, and regulatory authorities, to build consensus, address concerns, and secure commitment for sustained government support over the long term.</li> <li>• Forge strategic partnerships with relevant government agencies, industry associations, and influential stakeholders to gather support for policy initiatives, incentives, and funding allocations beneficial to the tech park's development and operations.</li> <li>• Advocate for policy reforms and regulatory frameworks conducive to the establishment and growth of tech parks, including tax incentives, streamlined approval processes, and legal protections to attract domestic and foreign investment.</li> </ul>

<b>5. Regulatory Challenges</b>	<p>Complex regulatory frameworks and bureaucratic hurdles may create barriers to business establishments and operations within the Park.</p> <p>Unclear or bureaucratic regulations related to business setup, intellectual property, or special technology zones could create hurdles.</p> <p>Government policy changes or revisions to incentive programs could negatively impact the park's attractiveness.</p>	<p>Medium</p>	<p>Medium</p>	<p>Medium</p>	<ul style="list-style-type: none"> <li>Establishing a dedicated corporate and government liaison office within the tech park streamlines communication with regulatory agencies, facilitating quicker resolution of bureaucratic issues and improving overall regulatory compliance efficiency. This also offers an additional revenue stream for the Park.</li> <li>Providing access to legal advisory services within the tech park equips businesses with the necessary expertise to handle legal matters effectively, reducing legal risks associated with regulatory compliance and bureaucratic hurdles.</li> <li>Offering guidance and support services to tenant businesses can significantly reduce the burden of navigating complex regulatory requirements, ensuring smoother establishment and operation within the park.</li> <li>Advocating for regulatory reforms and streamlining bureaucratic processes at various government levels directly addresses the root cause of regulatory barriers, creating a more conducive business environment for park tenants.</li> </ul>
<b>6. Uncertain Market Demand</b>	<p>While Pakistan's science and technology sector is on the rise, there's still a risk of uncertain market demand for the specific services or products envisioned by MVTP.</p>	<p>Medium</p>	<p>Low</p>	<p>Low</p>	<ul style="list-style-type: none"> <li>Develop a designated co-working space within the park with a uniform design aesthetic. Maintain a modern and functional design aesthetic throughout the co-working space, ensuring it's adaptable to diverse work styles.</li> <li>Focus on specific sub-sectors with growing demand like AI, Cybersecurity, Software Consulting, ITeS (software development, IT consulting, BPO) etc.</li> </ul>



					<ul style="list-style-type: none"> <li>• Begin with a smaller-scale park initially, catering to a well-defined niche, and then expand as the market matures and demand grows.</li> <li>• Attract young, innovative startups with disruptive ideas across various tech sub-sectors. These startups might not require a large initial market but can contribute to a vibrant ecosystem within MVTP. Their success stories can later attract larger established companies.</li> <li>• Establish business incubators or accelerators to support and nurture early-stage tech startups within MVTP.</li> </ul>
<b>Internal Risks</b>					
<b>1. Community Sensitivity</b>	The presence of a nearby graveyard with frequent religious processions might be seen as insensitive by the local community. Careful planning and open communication with community leaders are crucial to address these concerns and ensure the project's social license to operate	High	High	High	<ul style="list-style-type: none"> <li>• Initiate open and transparent communication with community leaders, religious authorities, and local residents to understand their perspectives and address concerns.</li> <li>• Incorporate design features and buffer zones to visually and physically separate the tech park from the graveyard and religious procession routes, minimizing potential impacts and preserving the sanctity of these spaces.</li> <li>• Implement measures to manage noise levels and traffic congestion during religious processions, such as scheduling construction activities and events outside of procession times or establishing traffic control measures to minimize disruptions.</li> <li>• Establish regular communication channels and feedback mechanisms to keep the local community informed about project developments, address any</li> </ul>

					emerging concerns or issues promptly, and maintain ongoing dialogue and engagement.
<b>2. Limited Existing Ecosystem</b>	Socio-economic disparities and inadequate access to quality education may restrict the availability of a skilled workforce. Balochistan's nascent science and tech sector might have a limited pool of experienced professionals to fill specialized roles within the STP's management or large scale tenant companies.	High	Low	Medium	<ul style="list-style-type: none"> <li>Establishing partnerships with local universities, colleges, and vocational training centers to develop tailored programs that equip students with relevant skills and knowledge for careers in science and technology can help expand the talent pool.</li> <li>Offering competitive salary packages, benefits, incentives, and career advancement opportunities can enhance the attractiveness of employment within the park and help retain skilled professionals.</li> <li>Offering training workshops, certification courses, and skill development programs within the park can enhance the capabilities of existing talent and bridge skill gaps in critical areas.</li> </ul>
<b>3. Technology Obsolescence</b>	Failure to keep pace with technological advancements and trends could render the park's offerings outdated, reducing its attractiveness to tenants and investors.	Medium	Medium	Medium	<ul style="list-style-type: none"> <li>Regularly monitoring emerging technologies, market trends, and industry developments can help anticipate technological obsolescence and proactively identify areas for innovation and improvement within the Park.</li> <li>Creating innovation labs and testbeds within the park where tenants can experiment with new technologies, prototypes, and proof-of-concept projects can facilitate hands-on learning and innovation while mitigating the risk of technology obsolescence.</li> </ul>

					<ul style="list-style-type: none"> <li>Investing in scalable and flexible infrastructure and IT systems that can accommodate future technological advancements and upgrades can future-proof the park's operations and minimize the risk of technology obsolescence.</li> </ul>
<b>4. Uncertain Return on Investment (ROI)</b>	<p>Considering the challenges faced, investors might be hesitant due to the uncertainty of the park's long-term profitability.</p>	High	Medium	High	<ul style="list-style-type: none"> <li>BPPPA can consider offering partial guarantees on a portion of the investor's return to mitigate some of the risk.</li> <li>Provide tax breaks, import duty exemptions, or other financial concessions to incentivize private sector investment in the park.</li> <li>Contribute to essential infrastructure development around the Park (e.g., road connectivity, power grids, high-speed internet) under revised PC-1 to improve its overall attractiveness.</li> <li>Structure the project in phases, with initial stages focusing on lower-risk activities like co-working spaces to generate early revenue and demonstrate success.</li> <li>Obtain comprehensive insurance coverage for the park infrastructure, businesses, and personnel against potential security threats.</li> </ul>

<b>5. Difficulty Attracting Tenants</b>	<p>Filling the Park with high-quality tenants, particularly in the initial stages, could be challenging due to the park's location in a high-security and potentially sensitive area. This discourages established companies and startups seeking a stable and secure environment</p>	<p>High</p>	<p>Medium</p>	<p>High</p>	<ul style="list-style-type: none"> <li>• Offer attractive lease terms, including rent holidays, graduated rent structures, or flexible space configurations, to incentivize early-stage or risk-averse tenants.</li> <li>• Leverage partnerships with government agencies to offer tenants access to funding programs, grants, or special technology zone incentives.</li> <li>• Develop a streamlined and efficient onboarding process for tenants, ensuring swift setup and minimizing initial hurdles.</li> <li>• Seek industry-recognized security certifications for the park to demonstrate commitment to providing a secure environment.</li> </ul>
<b>6. Utility and Connectivity Challenges</b>	<p>MVTP depend heavily on consistent and reliable access to electricity, water, internet connectivity, and other essential services.</p> <p>However, rural location may face challenges such as inadequate infrastructure, susceptibility to natural disasters, and limited-service providers, increasing the vulnerability of the Park to disruptions.</p> <p>Without robust utility provision, research activities, technological advancements, and business operations within the Park could</p>	<p>High</p>	<p>Medium</p>	<p>High</p>	<ul style="list-style-type: none"> <li>• Collaborate with utility providers and telecommunications companies to prioritize service reliability and resilience in the area, including regular maintenance, upgrades, and rapid response to service disruptions. Consider partnering with multiple internet service providers (ISPs) to ensure backup connectivity if the primary provider experiences an outage.</li> <li>• Establish SLAs with ISPs that outline guaranteed uptime and compensation for outages.</li> <li>• Invest in a fiber optic network within the park for high-speed and reliable internet access. This can be a shared resource among tenants.</li> <li>• Implement robust data backup and recovery procedures to ensure business continuity in case of internet disruptions.</li> </ul>

	be severely hampered, inhibiting the growth and sustainability of innovation ecosystems crucial for regional development.				<ul style="list-style-type: none"> <li>• Utilize cloud-based software and services that can be accessed even with limited internet connectivity.</li> <li>• Implement internal communication systems that don't rely solely on the internet, such as internal servers or a landline network for critical communication.</li> </ul>
<b>7. Operational Challenges</b>	Inefficient management practices, inadequate governance structures, and organizational issues can lead to operational inefficiencies and hinder the park's overall performance.	High	Low	Medium	<ul style="list-style-type: none"> <li>• Establish a well-defined governance structure that outlines the roles and responsibilities of the management. This should include a clear decision-making process and dispute resolution mechanisms.</li> <li>• Implementing robust management practices, including effective planning, monitoring, and evaluation mechanisms, can streamline operations and ensure alignment with the park's strategic objectives.</li> <li>• Develop clear and measurable performance indicators (KPIs) for park operations, such as tenant satisfaction, occupancy rates, and innovation output.</li> <li>• Investing in staff training and development programs to enhance skills, knowledge, and capabilities can improve workforce productivity and responsiveness to operational challenges.</li> <li>• Leveraging technology solutions, such as integrated management systems, digital platforms, and automation tools, can streamline administrative processes, reduce manual errors, and enhance operational efficiency within the park.</li> </ul>

<b>8. Collaboration Barriers</b>	<p>Lack of effective collaboration mechanisms and communication channels among park tenants, research institutions, and industry partners may hinder knowledge sharing and collaboration opportunities, limiting the park's innovation potential.</p>	<p>Medium</p>	<p>Low</p>	<p>Low</p>	<ul style="list-style-type: none"> <li>• Designating dedicated collaboration spaces within the park, such as co-working areas, innovation labs, and meeting rooms, can encourage spontaneous interactions and collaboration among tenants.</li> <li>• Organizing regular networking events, workshops, seminars, and conferences within the Park can facilitate interactions and foster relationships among tenants, research institutions, industry partners, and government agencies.</li> <li>• Offering incentives, such as grants, funding opportunities, and recognition awards, for collaborative projects and initiatives can motivate tenants to engage in collaborative activities and share knowledge and resources.</li> </ul>
<b>9. Financial Risks</b>	<p>Poor financial management, budget constraints, and reliance on external funding sources may pose financial risks to the park's sustainability and growth.</p>	<p>Medium</p>	<p>High</p>	<p>High</p>	<ul style="list-style-type: none"> <li>• Implement transparent financial management practices that ensure accurate budgeting, reporting, and accountability.</li> <li>• Develop a comprehensive financial risk management plan to identify, assess, and mitigate potential financial risks. This plan should include strategies for dealing with economic downturns, unexpected expenses, and changes in government funding.</li> <li>• Offer services like business incubation, technology consulting, or intellectual property management.</li> <li>• Charge fees for conference spaces, meeting rooms, or specialized labs within the park.</li> <li>• Secure grants or sponsorships from government agencies or private organizations to support specific initiatives.</li> </ul>

					<ul style="list-style-type: none"><li>• Developing diverse funding sources, creating robust financial management systems, and conducting regular financial audits can help mitigate financial risks and ensure sustainable operations.</li><li>• Investing in energy-saving technologies to reduce utility costs.</li><li>• Implement rigorous financial planning and budgeting processes to ensure prudent allocation of resources, realistic revenue projections, and effective cost management practices.</li><li>• Identify opportunities for operational efficiency improvements, such as optimizing resource utilization, renegotiating contracts for cost savings, and implementing technology solutions for streamlined financial management, to mitigate budget constraints and improve overall financial performance.</li></ul>
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