

# Business Model Scenario Analysis

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# EXECUTIVE SUMMARY

## INTRODUCTION

This report analyzes potential business models for the Mountain View Tech Park (MVTP), a planned Science and Technology Park (STP) in Mariabad, Quetta, Balochistan. The analysis considers various factors, including:

- Market demand and opportunities
- Existing infrastructure and resources
- Government priorities and regulations
- Strengths and weaknesses of different models

## BUSINES MODEL RECOMMENDATIONS

The Mountain View Tech Park (MVTP) has the potential to be a transformative force for Balochistan's science and tech landscape. However, selecting the most effective business model is crucial for maximizing its impact. To achieve this, we propose a **hybrid approach** that strategically combines the strengths of multiple models. This hybrid model emphasizes private sector leadership, startup occupancy, mixed-use development, IT outsourcing, and government collaboration. The model is aimed at combining the strengths of:

- **Private Sector-Led Technology Park (Core)** - Leveraging private sector expertise for driving profitability, attracting established tech companies and fostering innovation.
- **Mixed-Use Tech and Commercial Park (Expansion 1)** - Create a vibrant community with office spaces and essential commercial areas, offering risk diversification and attracting a broader tenant base.
- **Startup-Focused Model (Expansion 2)** - Providing space for incubated start-ups to nurture local entrepreneurship. Provide resources, mentorship, and a launchpad for promising local ventures.
- **Regional IT Outsourcing Center (Focus):** Housing businesses dealing in IT outsourcing services such as data entry and processing, custom software development, system administration, desk support, etc. to cater to existing market demand.
- **Additional:**  
**G2G Collaboration Corridor:** Capitalizing on Balochistan's government needs, the MVTP will create a dedicated space for G2G projects. This fosters collaboration between government agencies and private tech firms, enabling the development of innovative solutions for public services.

Local companies like Ultrasoft and IconsPro can find the space ideal for their operations. Government support organizations, including PTCL, NADRA, and Pakistan Post, can leverage the project's infrastructure to enhance their service delivery. Government initiatives focused on Land Revenue, Education and Health technologies, along with established software houses such as Abacus, System Limited, and NETSOL, will all benefit from the collaborative environment the STP.

Leading telecommunication providers like Zong, Jazz, and Telenor can establish a strong presence within the facility, while associations like PASHA (Pakistan Software Houses Association) and LMKR (Lahore Management Knowledge Society) can utilize the space to connect with industry stakeholders. This mix of tenants promises to create a vibrant hub for business activity and innovation.

## STRENGTHS OF THE HYBRID MODEL

- **Financial and Technical Strength:** The model leverages a diversified income base. Private sector investment drives profitability, while established tech firms, startups, and commercial spaces ensure consistent revenue generation. This reduces reliance on any single source and ensures long-term financial viability. Existing infrastructure is maximized, minimizing upfront costs. Revenue streams are then reinvested to attract and retain top tech talent, fostering a hub for innovation and collaboration.
- **Market Responsiveness:** The focus on sub-sectors such as IT outsourcing addresses immediate market demands, providing job opportunities and driving economic growth in Balochistan. The model's flexibility allows for future expansion into emerging tech sectors. The G2G Collaboration Corridor positions the MVTP as a partner in government innovation, ensuring long-term relevance.
- **Community Integration:** The model prioritizes nurturing local talent, fostering a sense of community ownership. This fosters social acceptance and ensures the park's long-term sustainability.
- **PPP Alignment:** Alignment with PPP objectives is achieved by attracting private sector investment for enhanced efficiency, while maintaining government support for strategic development. This ensures compliance with regulations, access to essential resources, and fosters a collaborative environment.

## IMPLEMENTATION ROADMAP - KEY MILESTONES

### Phase 1: Planning and Partnership Development

- Secure PPP agreement and private sector partner.
- Engage with local community leaders to address concerns and ensure buy-in.
- Develop detailed architectural and infrastructural plans.

### Phase 2: Infrastructure Development

- Renovate and adapt the existing 34,000 sq ft facility.
- Establish essential services (including electricity, high-speed internet).
- Set up core infrastructure for the science and tech park (and outsourcing center).

### Phase 3: Tenant Recruitment and Initial Operations

- Launch marketing campaigns to attract established tech companies and startups.
- Engage with local universities for talent sourcing and research collaboration.
- Begin operations of the IT outsourcing center.

### Phase 4: Expansion and Community Integration

- Develop mixed-use commercial areas, including retail facilities.
- Consider expanding incubation and accelerator programs for startups.
- Foster international collaborations and secure additional investments.

## RESOURCE ALLOCATION

- **Financial Resources:** Allocation for infrastructure renovation and development, marketing, and operational setup. Securing private investment and government exemptions and / or grants.
- **Human Resources:** Recruitment of management team members with expertise in tech park operations, community relations, and startup incubation.
- **Technical Resources:** Deployment of high-speed internet, advanced IT infrastructure, and security systems.

## KEY PERFORMANCE INDICATORS

### Occupancy and Space Utilization

#### 1. Occupancy Rate

- Target: Achieve 70% occupancy within the first year and maintain at least 85% occupancy in subsequent years.
- Metric: Percentage of leased space compared to total available space.

#### 2. Space Utilization Efficiency

- Target: Maximize the functional use of all available spaces, including offices, and commercial areas.
- Metric: Ratio of utilized space to total rentable area.

### Financial Performance

#### 3. Revenue Growth

- Target: Achieve a 10% year-on-year revenue growth from tenant leases, commercial activities, and outsourcing services.
- Metric: Total revenue compared to previous year, broken down by source (leases, commercial, outsourcing).

#### 4. Cost Management

- Target: Maintain operational costs within budget and achieve cost efficiency through sustainable practices.
- Metric: Operational costs as a percentage of total revenue.

### Community and Stakeholder Engagement

#### 5. Community Engagement

- Target: Achieve high levels of community satisfaction and integration.
- Metric: Community satisfaction scores from annual surveys, number of community initiatives.

#### 6. Stakeholder Satisfaction

- Target: Ensure high satisfaction levels among tenants and partners.
- Metric: Satisfaction scores from tenant and partner surveys, retention rates.

## **Job Creation and Economic Impact**

### **7. Job Creation**

- Target: Create minimum 100-200 direct jobs within the tech park and outsourcing center in the first year, increasing by 5% annually.
- Metric: Number of direct and indirect jobs created, tracked through tenant reports and surveys.

### **8. Economic Impact**

- Target: Contribute significantly to the local economy through job creation and business activity.
- Metric: Economic contribution measured in terms of local GDP impact, new businesses started, and investment attracted.

## **Startup and Innovation Success**

### **9. Startup Success Rate**

- Target: House at least 15 startups annually, and track rate of securing follow-on funding.
- Metric: Number of startups housed; amount of funding secured.

### **10. Innovation Output**

- Target: Foster a vibrant innovation ecosystem within the tech park.
- Metric: Number of patents filed, research publications, and new products or services developed.

## **Collaboration and Partnerships**

### **11. University and Research Collaboration**

- Target: Establish strong partnerships with local and international universities and research institutions.
- Metric: Number of collaborative projects, joint research publications, and student internships.

### **12. Industry Partnerships**

- Target: Develop strategic partnerships with industry leaders.
- Metric: Number of MOUs signed, joint ventures, and industry-sponsored research projects.

# BUSINESS MODEL SCENARIO ANALYSIS

Scenario Parameter	1. Government-Led Innovation Hub	2. Private Sector-Led Technology Park	3. Specialized Clusters	4. Replication of National Aerospace Model	5. Incubator, Accelerator and Startups-Focused Model	6. International Tech Collaboration Zone	7. Mixed-Use Tech and Commercial Park	8. Sustainable and Green Technology Park	9. Regional IT Outsourcing Center
Description	A government-led STP, focusing on creating an enabling environment for startups and attracting foreign investment.	A private dominated venture, possibly with some government incentives, aimed at maximizing profitability and operational efficiency.	The Park to be divided into specialized clusters such as Edutech, Healthtech, Fintech, and software development.	Adapting the model of the successful aerospace park to the science and tech sector, focusing on high-tech and R&D.	A model that emphasizes incubating startups and accelerating their growth through mentorship and investment as well as housing incubated start-ups.	Establishing the STP as an international zone for collaboration with global tech companies.	A combination of STP office spaces, commercial retail areas, and recreational facilities.	A model with a strong emphasis on sustainability, utilizing green technologies and practices.	Positioning the STP as a leading outsourcing destination for both local and international markets.
Focus Area	Public sector projects, academia-industry linkages, and support for local entrepreneurs.	Commercial ventures, research and development, and partnerships with national and global tech firms.	Each cluster caters to niche markets with tailored infrastructure and services.	Advanced research, incubation of high-tech startups, and partnerships with universities.	Startup growth, investment attraction, and mentorship programs.	International partnerships, cross-border projects, and a diverse tenant base.	A live-work-play environment, attracting a broader tenant base.	Sustainable infrastructure, green energy startups, and eco-friendly operations.	Outsourcing services, BPOs, KPOs, and call centers.
Suitability for MVTP?	Low. <b>Expertise Gap:</b> While government provides strategic guidance, managing an STP under PPP requires private sector expertise.	High. <b>Strong Alignment:</b> Private sector expertise aligns well with PPP goals of efficiency and profit generation.	Generally low due to absence of formal, mature clusters however <b>depends on Market Maturity:</b> Success hinges on chosen clusters' existing market and future potential.	Low. <b>Niche Market and High Cost:</b> Considering the absence of mature science and tech market facilitating R&D in the region and inability to attract national and international businesses and academics due to area's security and other concerns.	Low to High. <b>Demand Needs:</b> Presence of already established incubation centers such as NIC Quetta provides high competition for immature market however housing startups has very high potential due to the limited availability currently of specialized spaces such as those offered by STPs.	Low. <b>Market Immaturity:</b> Current market is not mature enough to attract significant international collaboration coupled with geographic concerns.	High. <b>Risk Diversification:</b> Diverse tenant base (offices, shops, recreation) reduces overall project risk.	Low. <b>Niche Market Limitation:</b> Niche market for such technologies is be limited in the current regional context	High. <b>Strong Demand &amp; Risk Diversification:</b> Caters to existing demand for outsourcing services and offers risk diversification with a diverse tenant base.
Financial Viability	Potentially lower initial investment however modifications are still	Extensive modifications to create a high-end Park environment could be expensive, reducing	Clusters with minimal infrastructural requirements (e.g., software development) might benefit	Requires highly specialized infrastructure and research facilities. Adapting the building would not be feasible.	Financially attractive due to its reliance on less specialized infrastructure. The existing building would require	Potential for foreign investment. Depends on the specific needs	Higher revenue opportunities. Existing building is suitable for office spaces, but creating a	Higher initial costs for green technologies. Would require specialized labs and clean rooms,	Generates employment quickly. Partially suitable for office spaces, but additional

	required, Government grants and incentives for startups may be required	the potential financial benefits.	from existing spaces with minimal modifications.  Clusters requiring specialized labs or facilities (e.g., biotechnology) might necessitate significant adjustments, impacting financial viability.		adjustments (e.g., common areas, office spaces) but could potentially be leveraged, reducing overall investment.	of collaborating countries. Extensive modifications might be required to create research facilities or office spaces that meet international standards, impacting financial viability.	vibrant commercial area could be challenging. Significant modifications are still needed impacting financial viability.	necessitating significant modifications and impacting financial viability.	modifications might be needed for call centers or specific IT infrastructure.
Technical Viability	Feasible with existing infrastructure but would still require additional investment	Requires significant private sector investment	Requires specialized infrastructure per cluster	Highly demanding, needs skilled workforce	Feasible with existing infrastructure but would still require additional investment	Requires robust IT infrastructure and trade expertise	Feasible but requires development of commercial areas	Requires green technology expertise	Feasible with existing infrastructure but would still require additional investment
Risks	Risk of bureaucratic inefficiencies, slow decision-making, reliance on government priorities, modifications might be more extensive than initially anticipated	Focus on short-term profits, may neglect startups and smaller businesses such as freelancers, High costs associated with modifications could outweigh the potential benefits	Market saturation in niche sectors, choosing a cluster with a mismatch to the building's layout could lead to high modification costs, limitations of the existing building might restrict the type of specialized clusters that can be successfully established	High initial investment with uncertain returns	Finding quality startups, ensuring businesses scale, unexpected modifications during renovation could increase costs	Geopolitical tensions, competition from global hubs	Diluting science and tech focus, managing diverse tenants	Higher initial costs	Lower value-added science and tech segments
Strategic Fit	Good for public partnerships and social objectives	Good for attracting established tech companies and innovation	Good for promoting deep expertise in specific areas	Ideal for cutting-edge IT research (long-term)	Good for nurturing local entrepreneurship	Good for long-term global positioning (challenging initially)	Good for creating a vibrant community	Good for attracting eco-conscious companies	Creates jobs quickly, but may not foster higher-value science and tech
Regional Development	Promotes public sector innovation and social good	Direct impact on local businesses	May foster specific industry expertise in Balochistan, however such probability is low	Low potential for high-skilled job creation	Creates jobs and supports local entrepreneurs	Potential for knowledge transfer and international partnerships	Creates jobs and fosters a vibrant community	Promotes environmental awareness and green practices	Creates jobs but may not focus on high-value science and tech
University & Research Collaboration	Potential government funding for joint projects)	Incentives or joint ventures needed dependent on private party	Crucial for cluster-specific expertise	Highly dependent on relevant research capabilities which exerts low potential	Essential for startup access to research and mentorship	May involve joint projects with international universities	Essential for access to research and mentorship	Valuable for research in green technologies	Less critical, but universities can provide talent



Business Support Services	May offer subsidized space and support services	Services might be offered for a fee or as part of a tiered membership structure, Focus on business acceleration and commercialization of technologies	Level depends on the specific cluster and its industry needs. Support could include specialized labs, regulatory guidance, or industry networking events	Services could include access to specialized labs, testing facilities, and collaboration with experienced engineers	Intensive support services for early-stage startups (accounting, legal, marketing), as well as mentorship, workshops, and access to co-working spaces. PPP partner might be an incubation or acceleration firm with experience in nurturing startups	Services tailored to international partnerships, legal support for navigating regulations. PPP partner might be an international organization or a foreign company with experience in fostering global collaborations.	Level of support services depends on the specific needs of tech companies and commercial tenants. Services could include facilities management, marketing support, and networking opportunities.	Services focused on supporting green technology development, such as access to testing facilities, expertise in environmental regulations, and potential partnerships with clean energy companies.	Training programs for the local workforce, assistance with compliance certifications, and potential partnerships with international clients. The PPP partner could be a major outsourcing company with experience in the region.
Access to Funding for tenants	Government grants for research projects within the innovation hub. Limited access to venture capital (VC) funding initially, but potential to attract VC interest with successful ventures.	Reliant on attracting VC investment and angel investors for funding startups within the park. The PPP structure might involve facilitating connections with potential investors.	Access to funding will vary depending on the chosen cluster and its attractiveness to investors. The PPP structure might involve creating mechanisms to connect startups with relevant venture capitalists. Grant opportunities might exist for specific clusters (e.g., government grants for biotechnology research).	Access to funding would likely be a mix of government grants for specific projects and private investment from the PPP partner.	Reliant on attracting seed funding and VC investment for incubated startups. The PPP structure could involve facilitating connections between startups and potential investors.	Access to funding could involve a mix of international grants, venture capital from partner countries, and potentially government support within Pakistan. The PPP structure could involve creating mechanisms to facilitate joint ventures or international investment.	Funding for tech companies would likely come from a mix of VC investment, angel investors, and potentially revenue generation from commercial activities within the park. The PPP structure could involve creating an environment that attracts both tech startups and established businesses.	Access to funding could include government grants for green technology research, specialized venture capital firms focused on sustainability, and potential investment from established green tech companies. The PPP structure could involve facilitating connections with relevant funding sources.	Access to funding would likely come from established IT outsourcing companies setting up operations within the center. * The PPP structure might involve creating incentives to attract outsourcing companies and potentially provide workforce development support.