

# The Trillion-Dollar Prize

Local Champions Leading the Way

November 2022

By Zarif Munir, Saibal Chakraborty, Tausif Ishtiaque



Boston Consulting Group partners with leaders in business and society to tackle their most important challenges and capture their greatest opportunities. BCG was the pioneer in business strategy when it was founded in 1963. Today, we work closely with clients to embrace a transformational approach aimed at benefiting all stakeholders—empowering organizations to grow, build sustainable competitive advantage, and drive positive societal impact.

Our diverse, global teams bring deep industry and functional expertise and a range of perspectives that question the status quo and spark change. BCG delivers solutions through leading-edge management consulting, technology and design, and corporate and digital ventures. We work in a uniquely collaborative model across the firm and throughout all levels of the client organization, fueled by the goal of helping our clients thrive and enabling them to make the world a better place.



# Foreword

Bangladesh is set to emerge as a trillion-dollar economy powered by an ambitious business community. To understand this path better, BCG undertook an extensive study to assess the DNA of Emerging Champions—those Bangladeshi companies at the forefront of bold transformation.

At Boston Consulting Group (BCG) we have analyzed leading companies across different geographies, identifying and encapsulating their common traits in a “Beyond Great” framework. In this perspective, we have utilized this globally tested framework to assess the leading companies of Bangladesh.

**Dr. Hans-Paul Buerkner**  
Managing Director and Global Chair  
Boston Consulting Group

The “Beyond Great” framework was developed based on real-life programs undertaken by leading-edge global companies to deliver outstanding results to all stakeholders in a new, more tumultuous era of social tension, economic nationalism, and technological revolution. The three key pillars—Growing Beyond, Operating Beyond, and Organizing Beyond—get to the heart of what makes the 2,400 best companies in the world tick.

We hope you will find our analysis interesting, and that this perspective permits a robust dialogue on the path ahead for the Emerging Champions of Bangladesh!

**Dr. Nikolaus S. Lang**  
Managing Director and Senior Partner  
Global Leader – Global Advantage Practice  
Boston Consulting Group



# At A Glance

The Bangladesh economy has displayed strong performance over the recent years, and is on course to emerge as a USD1Tn economy in coming decades. With an average annual GDP growth of 6.4% between 2016-2021, Bangladesh has outpaced major Asian peers such as India, Indonesia, Vietnam, Philippines, and Thailand. A key driver is the domestic consumer market—which is set to become the ninth-largest consumer market in the world through a rapidly expanding middle- and-affluent class which is projected to grow from ~19Mn in 2020 to ~34Mn by 2025. It is bolstered by a young workforce of ~114Mn people, a burgeoning gig economy with ~650k freelancers—the second-largest online workforce globally—and a rising digital adoption rate with ~177Mn mobile subscribers.

Though the economy faces some near-term volatility, we are confident that this highly resilient economy will continue to demonstrate robust growth in the long-term.

## **BOLD, AMBITIOUS CHAMPIONS DRIVING GROWTH**

Bangladesh's Emerging Champions are innovative companies that have grown rapidly, created structural advantage in the domestic market, and are ready to pursue global ambitions. The listed Champions have delivered average shareholder returns of ~16% and demonstrates traits of sustainable future growth.

## **CHAMPIONS HAVE A DNA SIMILAR TO SUCCESS STORIES IN OTHER MARKETS**

The success of these Champions echoes the path of exemplar enterprises in other countries—doubling down on domain expertise, domestic success, and quality talent. These Champions aim to raise international capital, form global alliances, and penetrate a diverse and shifting global supply chain to ensure supply security. They are also boosting innovation and productivity and leveraging the growing digital landscape with well-structured strategic programs. We believe these Champions can be powerful contributors to realizing Bangladesh's trillion-dollar ambition.



# 1 | An Unmatched Growth Story

**B**USINESS IN BANGLADESH IS ROBUST with an energy and optimism that puts this nation at the forefront of global growth. The country could have easily been overshadowed by its neighbor to the northeast—China or its continental cousin to the west—India but in this region of economic powerhouses, Bangladesh stands tall, as it surges forward on its journey to capture a trillion-dollar prize.

With average annual gross domestic product (GDP) growth of 6.4% between 2016-2021, this vibrant nation of 170Mn+ people has outpaced major Asian peers including Vietnam, India, Philippines, Thailand, and Indonesia [Exhibit 1]. The country's growth rate was ~2X that of fellow Lower-Middle-Income Countries (LMIC) nations, and significantly higher than the global average of 2.9%.

Despite COVID-19, Bangladesh GDP grew ~3.4% in 2020, demonstrating the resilience of the economy at a time of significant global economic disruption. The country spun

an equally impressive growth story during the Global Financial Crisis, achieving 5.5% annualized growth rate between 2007-2009, against a global average of 0.4%.

Bangladesh's remarkable growth saw the nation progress from Low-Income to LMIC status in 2015 as classified by the World Bank. Despite graduating five years later to LMIC status versus India, the GDP per capita is already higher than its regional peer, and Bangladesh aims to become an Upper-Middle-Income Country by 2031. This rapid growth puts Bangladesh in touch of a trillion dollars by 2040 at an average growth rate of ~5% and earlier if the growth rate continues at the current rate.

No story is without ups and downs. The current economic climate has created some uncertainties, with liquidity challenges, foreign exchange risks, inflationary pressures in the short-term, but the measures the country is taking should allow Bangladesh to remain on its course towards a trillion-dollar economy.

**Exhibit 1 - Bangladesh Emerges as the Fastest-Growing Economy Amongst Major Peers**



Source : World Bank, World Population review

Note : GDP in current US\$, LMIC refers to lower middle income countries as defined by World bank

# Bangladesh

COUNTRY OVERVIEW



CAPITAL

Dhaka



## LARGE CONSUMER-DRIVEN ECONOMY

**\$416 Bn**

GDP (2021)

**6.4%**

GDP growth (2016-21)

**\$2,503**

GDP per capita (2021)

**170 Mn+**

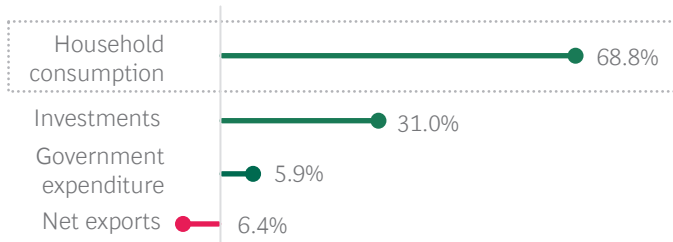
Population (June 2022)

**28 years**

Median age (June 2022)

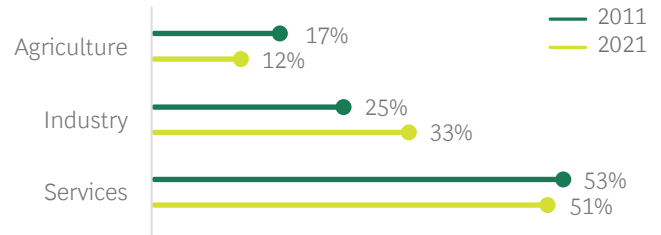
### GDP Composition by end use (2021)

*High consumption*



### GDP sectoral contribution (% GDP)

*Industry gaining importance*

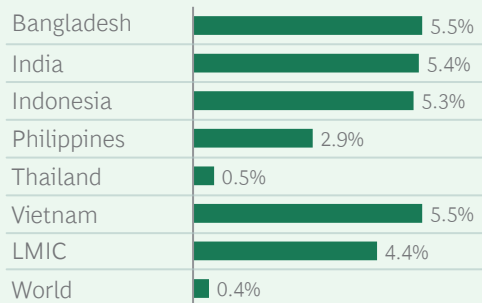


## HIGHLY RESILIENT

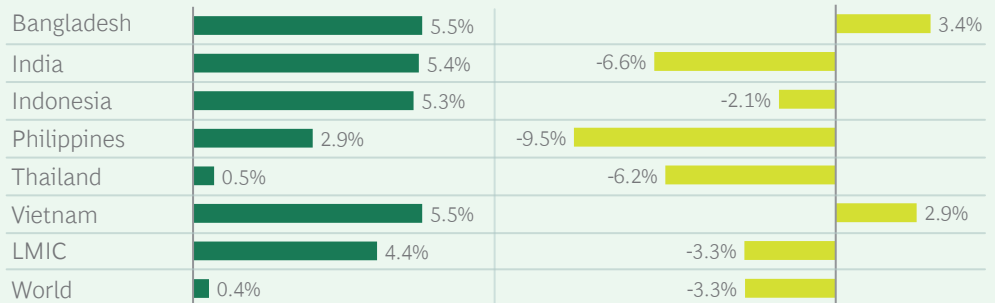
### Steady growth during global crisis periods

■ 2007-09  
■ 2019-20

#### High annual GDP growth during Global Financial Crisis (2007-09)



#### GDP also growing during COVID (2020)



## 8 GROWTH DRIVERS UNDERPINNING ECONOMIC GROWTH



### Solid optimism

57% believe next generation will have better lives



### Rise in consumption

9th largest consumer market by 2030  
34Mn MAC population by 2025



### Young growing workforce

Median age 28  
68.4% working age population



### High economic resilience

Savings rate 34% vs global average 27%  
Govt. debt at ~19%, lowest among peers



### Digital momentum

177M mobile cellular subscription  
Target to achieve 50%+ cashless rate & 90%+ financial service access



### Government shaping the economy

3X increase in public spending in last decade  
Strong vision 2041 & smart nation plan in place



### Fast growing private sector

2nd largest apparel exporter  
9th largest mobile market in the world  
bKash - leading MFS, BRAC - largest NGO in the world



### Scaled up and thriving gig economy

2nd largest supplier of online labor globally  
Home to ~15% (~650k) of world's freelancers  
50,000+ Fb entrepreneurs

Source : BCG analysis, BCG survey (N = 500), World Bank, HSBC Global Research, The Daily Star, World Data, Bangladesh Bank, BTRC, National Perspectives Plan 2021-41, Online Labour Observatory, Statista, Capital IQ, World Population Review 2022, CEIC Data

# PILLARS OF AN EMERGING POWERHOUSE

Bangladesh’s growth story is underpinned by some fundamental drivers – consumer optimism, a willingness to innovate into emerging economic sectors, the continued rise in middle and affluent consumers, an ambitious young workforce, and economic resilience.

**Solid optimism.** Consumer optimism in Bangladesh is high. This vital optimism kicked off the virtuous cycle of high growth which Bangladesh has experienced over the last decade. Recent macro-economic challenges resulting from the global economic slowdown have seen optimism levels dip, but ~57% of respondents continue to believe the next generation would have better lives than themselves, especially as the country transitions to a skill-based economy.

**Rise in consumption.** Bangladesh’s GDP is heavily reliant on household consumption (~69% of 2021 GDP) for driving growth. Bangladesh is expected to be the fastest-growing consumer market globally over the next decade according to a recent report by HSBC, emerging as the ninth-largest consumer market globally by 2030—overtaking established markets such as the UK and Germany, and surpassing high-growth peers Vietnam and Thailand. [Exhibit 2]. One major driver of rapidly growing consumer demand and greater spending is the surge in

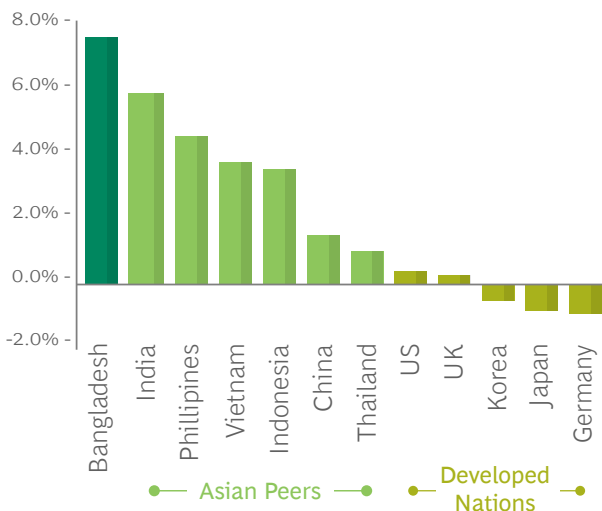
the middle- and affluent-class (MAC) which aligns with BCG’s predictions over the last decade. According to BCG’s 2015 study, the MAC population was expected to grow from ~12Mn in 2015 to ~19Mn by 2020, and reach ~34Mn by 2025, accounting for 17% of the overall population.

**Young, growing workforce.** Bangladesh boasts a young workforce ready to create value in this high-growth landscape. The nation is home to a younger population relative to most peer economies, with a median age of 28 years, below that of Indonesia (31), India (29), Thailand (39), Vietnam (32), and the global average of 30 years. More than two-thirds of the total population (68.4%) is of working age, with 114Mn working-age citizens ready to create value through employment

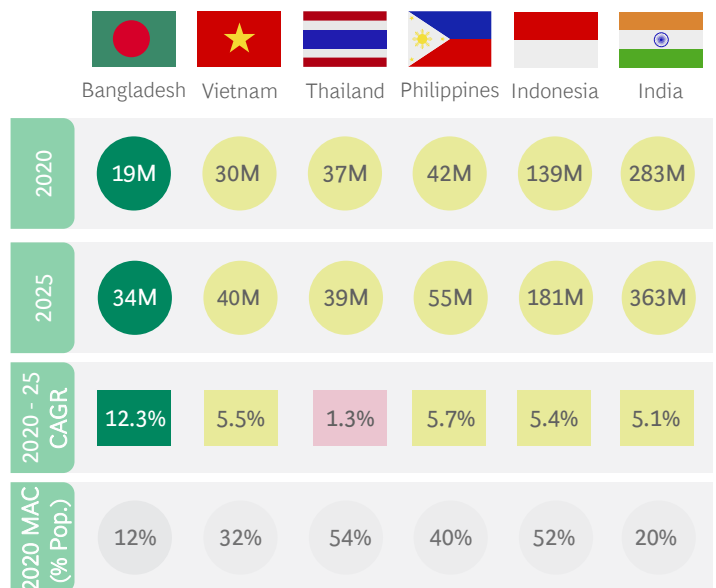
**High economic resilience.** Bangladeshi households are financially resilient thanks to high savings and low national debts. The nation has a high savings rate, with average savings equivalent to more than a third (34%) of GNI, compared to a global savings rate of 27%. Household consumption accounts for two-thirds (~69%) of GDP, protecting the economy from external shocks. National debt levels are low relative to Asian peers, standing at just 19% of GDP, compared to 39% in Vietnam, 41% in Indonesia, 53% in Thailand, 56% in India, and 61% in the

## Exhibit 2 - Bangladesh Set to Become Ninth-Largest Consumer Market Globally by 2030

### Fastest-growing consumer market



### Growth led by surging middle- and affluent-class



Source : HSBC Global Research, BCG’s center of Consumer Insights, BCG analysis, Nielsen HH data

Note : Annualized growth in the size of consumption market (2021-2030e), data for middle and affluent class are estimates

In Vietnam and Bangladesh, the MAC population comprises the affluent & established segments. In Thailand, Philippines, Indonesia and India, the MAC population also includes emerging segment; this is owing to differences in the point at which consumer spending takes off in these markets.

Philippines. High savings is enabling high investments, with gross fixed capital formation standing at 31% of GDP in 2021, higher than all Asian peers. The economic resilience is also driven by high remittance inflow from Bangladeshis working overseas, with more than USD22Bn entering the country in 2021, doubling from ~USD11Bn in 2010.

**Digital momentum.** Bangladesh's digital economy continues to gain momentum, buoyed by growing connectivity and improved digital consumer interaction. Mobile cellular subscriptions almost doubled between 2012 and 2021, reaching ~177Mn, while internet subscription grew from minimal users to ~70% penetration in last 10 years. This is also providing a fertile environment for the digital economy, with the volume of digital financial more than doubling from 1.7Bn transactions in 2019 to an estimated 3.5Bn in 2022.

Digital transactions are expected to further accelerate with the launch of the interoperable digital transactions platform—Binimoy. This platform aims to increase convenience through interoperability, and drive further benefits through the impending launch of additional use cases including standardized QR for merchant payments. Binimoy is expected to revolutionize the digital transactions space in a move that echoes the impact of India's Unified Payments Interface (UPI), and Thailand's PromptPay. It aims to increase the rate of cashless transactions from ~15% to 50-60%, and drive growth in access to financial services from ~60% to more than 90% over the next 20 years. The platform sets the foundation to boost trust in the e-commerce sector, unlock access to credit through the provision of centralized credit scoring, reduce the cost of cash management, and improve transparency in financial transactions.

**Government shaping the economy.** The Bangladesh Government is actively engaged in positively shaping the nation's economic outlook, with public spending having more than quadrupled over the last decade, from BDT532Bn in 2012 to BDT2,254Bn by 2022. Past government efforts have resulted in producing a strong base for the economy – by driving literacy rates beyond 70% and electricity supply to more than 300 kWh per person. Key masterplans such as the Smart Bangladesh ICT 2041 Masterplan and Perspective Plan of Bangladesh 2021-2041 also in place to shape future government activities.

**Fast growing private sector.** Bangladesh's ambitious and expanding private sector is an engine of growth, and

the emergence of some significant major players offers an encouraging outlook for the future. The country is widely recognized for its important role in the global supply chain for textile and apparel, and we continue to see growth in this sector with major domestic players expanding their businesses globally. The nation's telecom industry is led by three private players - GrameenPhone, Robi and Banglalink, who have helped position Bangladesh as the ninth-largest mobile market in the world. The NGO sector has also been a major driver of growth for the economy, with the world's largest NGO BRAC and the pioneer of microfinance Grameen Bank, providing a safety net for the bottom of the pyramid.

The last decade has also seen encouraging shoots of growth for the Bangladesh startup ecosystem, with the emergence of over 1,200 active startups in the country. These emerging companies focus on a wide range of industries, including financial technology (FinTech), logistics and mobility, and e-commerce. Bangladeshi startup bKash became the nation's first unicorn, with SoftBank acquiring 20% stake in November 2021, and is now a leading mobile financial services (MFS) player in the world. Over the last year, an impressive new wave of startups are also surging towards unicorn status, with enterprises such as ShopUp, ChalDal, and Pathao enjoying robust growth. The industry overall has raised funding over \$700Mn and now the government is also taking active role to promote start-ups through ICT Division's flagship venture capital fund Startup Bangladesh.

Other sectors are also emerging on the global stage, with players like multinational goods company PRAN-RFL establishing franchises in Africa and the Middle East, and pharmaceutical and animal health companies like Renata driving expansion into Europe, the UK, and US. Successful local players, Square Pharmaceuticals, Renata Limited and Fortune Shoes have also featured in the Forbes list for the Asia Pacific (APAC) region, in recognition of their exceptional corporate performance.

**Scaled up and thriving gig economy.** With ~650,000 freelancers, Bangladesh is the world's second-largest supplier of online labor. The nation is home to 15% of the world's freelancers—behind only India at 24.8%—as the gig economy continues to drive economic prospects. The on-demand sector remains a major driver of growth, with digital platforms like Uber, Pathao, Truck Lagbe and Foodpanda expected to generate 500,000 jobs this year. The emergence of a growing social commerce segment is also driving digital economic growth, with more than 50,000 Facebook entrepreneurs in Bangladesh.



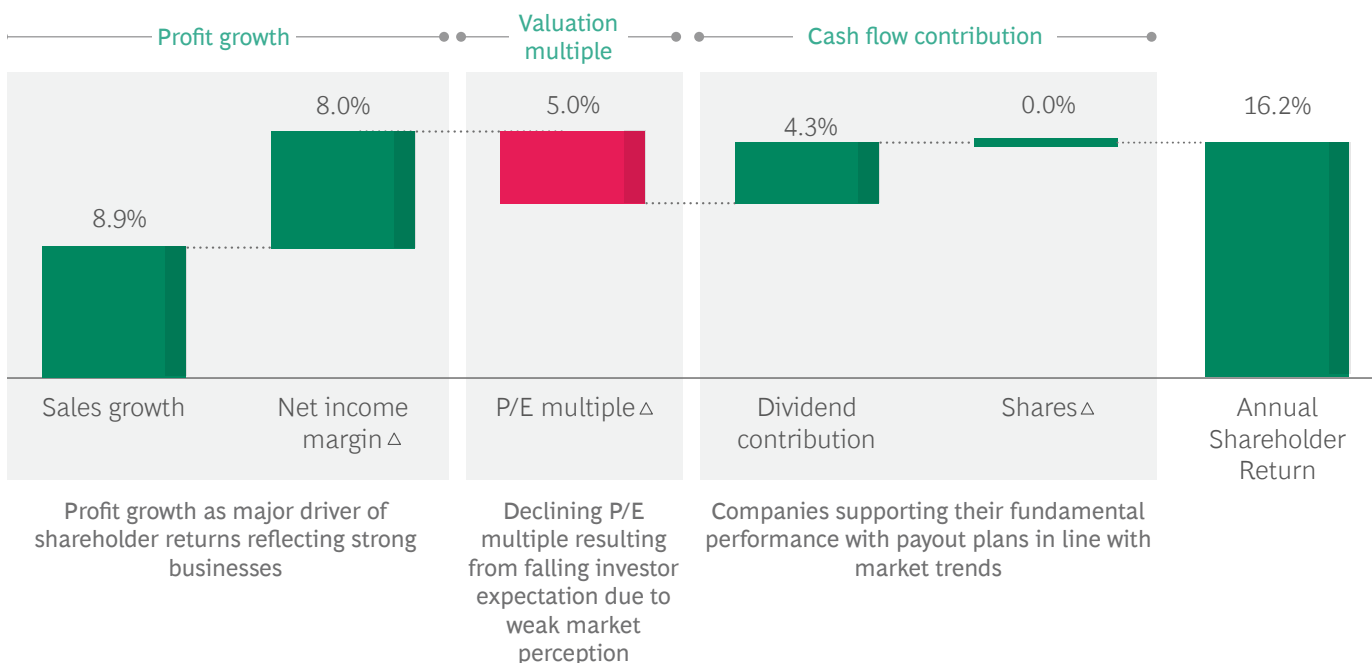
# 2 | Emerging Champions

In order to develop a point of view on the Bangladesh business landscape, we spoke with leading Bangladeshi companies with an annual revenue range of USD300Mn to USD3Bn. This list of companies included multi-generational enterprises, tech startups, purely local companies, globally diversified companies, single-sector specialists, and conglomerates.

The listed Emerging Champions boast an impressive ten-year average total shareholder return (TSR) of 16%, delivering above that of the S&P Global 1200 (15%), Asia 50 Index (14%), and MSCI Emerging Markets (10%). This TSR is primarily driven by profitable growth and a willingness to forego dividends to fuel further expansion. One factor holding back TSR is the low earnings multiple which is a function of market perception. [Exhibit 3]

## Exhibit 3 - Shareholder Value for Emerging Champions Backed by Strong Fundamental Performance, Supported by Powerful Businesses

### Shareholder 5-Y return profile, Emerging Champions



Source : S&P Capital IQ; BCG ValueScience® Center

Note : Contribution of each factor shown in percentage points of five-year average annual shareholder return (dec '16 – dec '21). All indices are weighted by market capitalization of their constituent stocks. The index for Bangladesh is based on data from the publicly listed emerging champions of the country. Disaggregated view for Bangladesh emerging champions exclude private companies & banks. Dividend contribution includes investment of dividends & special dividends, compounded daily. Components of shareholder return are multiplicative but converted and shown here as additive with remainders assigned to the margin and multiple change fields

Source : Capital IQ, BCG analysis

# WHAT IS THE SECRET SAUCE?

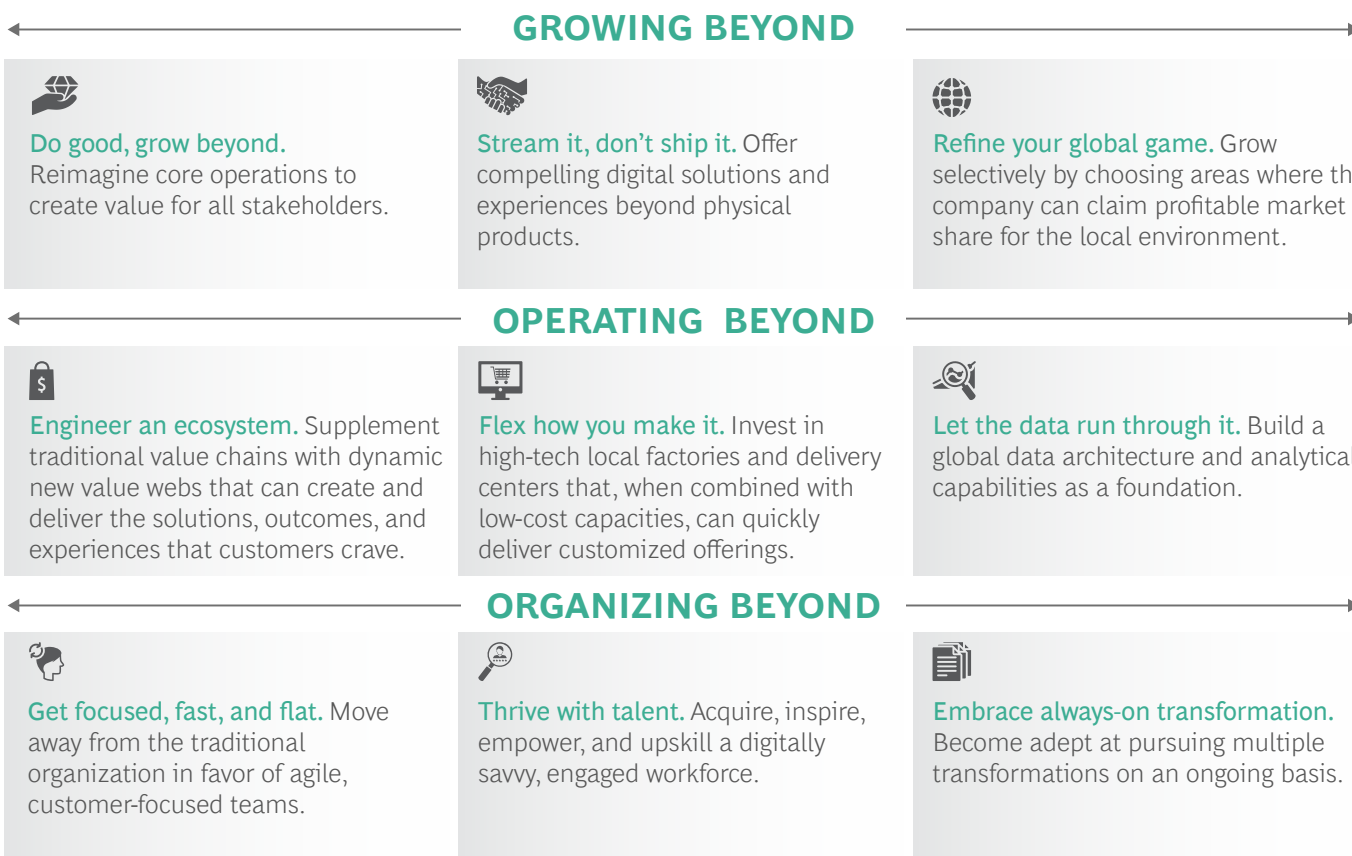
First and foremost, these emerging champions have the right mindset—a challenger mindset—demonstrating a willingness to be bold and recognize that a challenging economic environment is an opportunity to be creative and lead in their respective target markets. In order to understand the secret sauce driving these Emerging Champions, we have utilized our globally tested Beyond Great framework. [Exhibit 4] This framework was

developed based on real-life programs undertaken by leading-edge global companies to deliver outstanding results to all stakeholders in a new, more tumultuous era of social tension, economic nationalism, and technological revolution. The three key pillars—Growing Beyond, Operating Beyond, and Organizing Beyond—get to the heart of what makes the 2,400 best companies in the world tick.

## Exhibit 4

BCG

BCG's Beyond Great analysis offers a strategic assessment of those companies who have moved beyond traditional measures of outstanding performance or total shareholder return (TSR), to build strategically resilient companies fit to excel in a dynamic and disrupted modern operating environment. For identifying the winning strategies, we benchmarked ~2,400 companies globally to understand what made them different, and what helped them thrive. These companies exhibit nine strategies across three pillars: Growing Beyond, Operating Beyond, and Organizing Beyond.

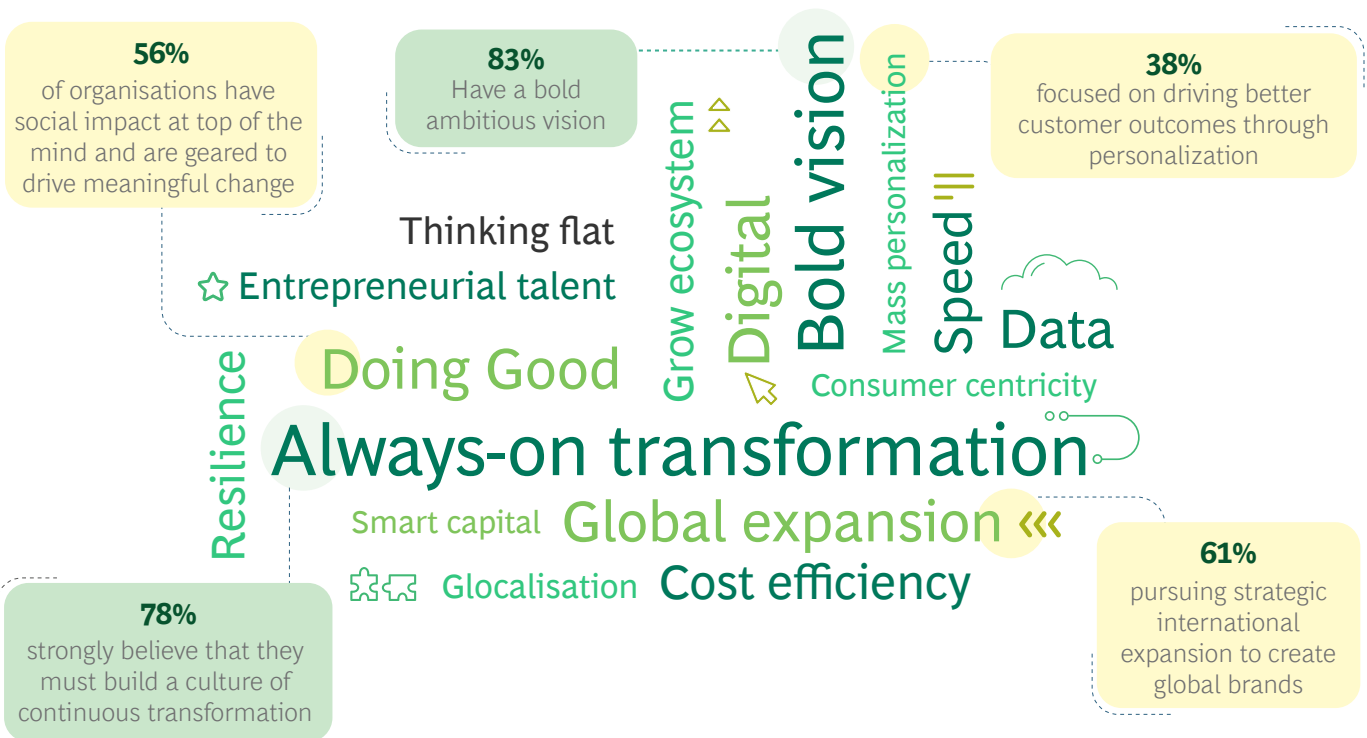


Source : BCG analysis

As we dive deeper into the performance of Emerging Champions through the lens of Beyond Great, several traits stood out as distinctly Bangladeshi. The emphasis on “always-on” transformation to drive success was observed across all Champions, albeit what was most prominently

missing was “to what end”. At the same time, Champions also spoke about their aspirations to focus more on personalizing customer experience through digital and data. [Exhibit 5]

## Exhibit 5 - Unique Themes Emerging in Bangladesh



Source : BCG analysis, in-depth interviews with leading companies in Bangladesh

### GROWING BEYOND TO REALIZE GLOBAL AMBITIONS WITH SOCIETAL IMPACT AT HEART

Growing Beyond Great is about reimagining growth strategies to embrace a more holistic view of business stakeholders, incorporating the traditional focus on TSR alongside positive societal image that encourages wider organic growth. It includes expanding beyond core markets in a way that Emerging Champions in Bangladesh are already embracing, unlocking fresh opportunities for future success.

While Champions are looking to go global, they are very selective in choosing the markets where they can win. Many of them are opting to expand into unconventional markets such as Africa or the Middle East, instead of the traditional consumption centers of the US and EU—a

reality highlighted in the examples of successful companies such as Walton, Pran, Square, and others. While Champions are also keen on personalizing products and services—and there are pockets of success stories for personalized solutions being delivered to clients—considerable investments will be required to achieve global best practices on this at a large scale.

**DO GOOD, GROW BEYOND.** More than 50% of Emerging Champions in Bangladesh embed societal impact in their company’s vision or mission, alongside business operations. Many of them were founded with the purpose of creating good in the society, and that has continued to be a major focus even after decades of

operation. Bangladesh is now home to numerous companies which have been founded with social impact at the forefront of their business model.

- » **BRAC.** BRAC is an international development organization founded in Bangladesh, scaling up effective solutions globally. The organization operates as a unique solutions ecosystem with multiple social development programmes & enterprises, a humanitarian response arm and economic empowerment through a bank & a university. BRAC reaches over 100 million people in 11 countries in Asia and Africa, powered by the efforts of 100,000 staff members, volunteers, teachers, and community health workers, most of whom are women. BRAC's pioneering Ultra-Poor Graduation approach has been adopted in over 100 organizations in 50 countries, reaching nearly 14 million people. It has also been recognized as the number one development organization in the world for five consecutive years by the Geneva-based independent media organization.
- » **bKash.** bKash is one of the leading mobile financial services player in the world, leveraging mobile technology to enhance financial inclusion for more than 60 million financially-underserved Bangladeshis. It was listed in Fortune's impressive 'Change the World in 2017' list of companies delivering big impact on critical social issues.
- » **BRAC Bank.** Founded to provide banking services to the underbanked, BRAC Bank believes creating societal impact is just as important as delivering good returns to shareholders. BRAC Bank focuses on small- and medium-sized enterprises (SMEs), with a particular focus on cottage-size and micro-enterprises as the lifeblood of the economy, eschewing traditional financial institution focus on retail segments, with the ultimate aim being the leading SME bank in Bangladesh. BRAC bank has served ~1 million SMEs since inception—approximately 10% of all Bangladeshi SMEs—with an atypical approach that offers ~85% of SME loans without collateral. It was also the leading source of COVID-19 stimulus loans, financing ~USD320Mn to over 28,000 SMEs. BRAC Bank is implementing an automated loan origination system which will enable a 40% reduction in credit processing time to ensure quick turnaround for SME loan servicing.
- » **PHP.** PHP aspires to promote 'Peace, Happiness, and Prosperity', leveraging a profit-sharing structure to drive the organization towards a shared purpose. The conglomerate also demonstrates a keen drive for environmental sustainability through its core business.

In 2013, PHP committed substantial investment in improving the environmental credentials of the important domestic shipbreaking industry. The company has also received certifications from the Hong Kong International Convention (HKC) for business success in ensuring the safe and environmentally sound recycling of ships. With the aim of driving sustainability, PHP established acid regeneration and effluent treatment plants at the start of the operations only.

**STREAM IT, DON'T SHIP IT.** Bangladeshi Champions are still developing their capabilities to provide personalized customer experiences. However, there are a number of start-ups taking a lead on this by incorporating personalization into their digital solutions. Banks too have shown clear efforts to step up their digital credentials through expanded offerings of digital banking products and services to their clients.

- » **ShopUp.** Full-stack B2B commerce company ShopUp provides a personalized experience for neighborhood micro-, small- and medium- enterprises (MSMEs) in Bangladesh. It enables users to search for products through AI based voice commands and handwriting to enable users with varying levels of literacy. The personalization offering has resulted in a 4x higher conversion for ShopUp.
- » **Pathao.** Digital platform Pathao introduced a buy now pay later (BNPL) offer to qualifying customers based on prior transaction history and demographic profile, using data to unlock new purchasing pathways. This initiative led to a ~35% increase in transaction spend, ~40% increase in order frequency, and ~25% increase in retention for pay later customers since its adoption.
- » **BRAC Bank.** BRAC Bank is leveraging its new smart banking app, Astha, to enhance customer experience, enabling the bank to convert 70% of its new account openings and 80% of its transactions to digital. This has been further bolstered by superior customer journeys stemming from digital transformation initiatives, for example the turnaround time for processing working capital loans for SMEs has been reduced from 20 working days to 4-5 working days. Electronic know-your-customer (eKYC) onboarding has resulted in 72% year-on-year increase in Astha app transacting customers. While the company is offering almost all banking services online, it is in process of leveraging auto-bot solutions by early 2023. This digital transformation has also led to higher productive time, significant cost savings, and higher customer satisfaction.

**Source :** In-depth interviews with leading companies in Bangladesh



**REFINE YOUR GLOBAL GAME.** Bangladesh's Emerging Champions are very selective in choosing the markets to grow in. They also believe in empowerment and decentralization as a driving force behind deeply local strategies delivered on a global stage.

- » **Walton.** Walton has achieved a dominant local market share in the Electrical & Electronics (E&E) market of Bangladesh and is now supercharging its global growth strategy with the purchase of three European brands, with trademark rights across 57 countries. This platform of global growth now sees the Bangladeshi electronics retailer looking to establish a contract manufacturing arm in Mexico to access the US market.
- » **PRAN.** Consumer goods company PRAN has embedded autonomous regional decision making into its global expansion plans, with teams in Australia, Africa, and

the Middle East empowered to operate with minimum central oversight. In the Middle East, for example, leaders are encouraged to source products locally instead of requiring permission from the central Bangladesh office.

- » **Summit Group.** Summit group is pursuing regional expansion beyond Bangladesh, leveraging its experience in the power sector and the expertise of its partners. It is penetrating into neighboring countries such as India, Sri Lanka, Nepal, Malaysia, and Vietnam through selected government tenders or private sales. Through this expansion, Summit Group aims to pursue opportunities in renewable power and battery storage, positioning itself for growth in the new energy economy. Summit has allocated significant resources to assess possible cross-border feasibilities for renewable energy.

## OPERATING BEYOND THROUGH PARTNERSHIPS AND MULTI-LOCAL DELIVERY NETWORKS

Operating Beyond recognizes a need to adapt to create a sustainable business ecosystem, leveraging advanced technology and digital solutions to drive forward transformation. This includes data-driven business and multi-local delivery strategies that help identify and embrace fresh and emerging opportunities.

Emerging Champions are committed to Operating Beyond, with real focus on collaborating and sharing value with a large number of partners across their value chain. These partnerships are becoming even more varied as they set up global operations with manufacturing hubs closer to customer centers.

**ENGINEER AN ECOSYSTEM.** Emerging Champions in Bangladesh are proactively building ecosystems, either on their own, or by leveraging informal economy partners or global startups.

- » **Square, FCI, Walton, and PHP.** Establishing suppliers and distributors is a key challenge for any new industry, and one that manufacturers such as Square, FCI, Walton, and PHP have taken steps to address in Bangladesh—by building vertically-integrated end-to-end operations to eliminate reliance on external suppliers and distributors. Square Group went a step further to reduce reliance on government-backed power infrastructure, investing to develop in-house power plants to cater for the group's full requirement of 70MW of power. It has also implemented 2.5 MW solar power

and has about 10 MW in the pipeline as part of sustainability initiatives. Also, PHP integrated vertically to build resilience in the supply chain and then expanded horizontally to capture a larger market share. These efforts from Bangladeshi Champions are being recognized globally, with Walton factory recently being featured in National Geographic's popular TV show 'Super Factories'.

- » **ShopUp.** ShopUp built out value-adding partnerships with informal economy ecosystems to naturally develop its market and operations. This included working with three-wheeler electric vehicles to manage almost a third (30%) of all last-mile delivery needs in suburban and rural areas.
- » **Renata Limited.** Pharmaceutical brand Renata developed its product development capabilities by partnering with firms in the US, UK & EU.

**FLEX HOW YOU MAKE IT.** Bangladeshi Champions are building out operations with multi-local manufacturing hubs and software centers.

- » **ShopUp.** ShopUp established a hybrid delivery model backed by software centres in Dhaka & Bangalore, staffed with over 100 developers working together to deliver engineering solutions effectively. With the growing internal demand for digital talent, ShopUp is exploring opening new digital centres in Singapore and expanding in India and Bangladesh.

**Source :** In-depth interviews with leading companies in Bangladesh

- » **PRAN.** Installing distribution companies closer to customers in Saudi Arabia and India allowed PRAN to effectively deliver a multi-local strategy.
- » **PHP.** PHP Automobiles is revolutionizing mobility with the country's first private automobile facility in Chattogram, assembling five types of cars. The company aims to become the first player in the country to manufacture the majority of parts locally as part of its 'made in Bangladesh' strategy. Domestic assembly allowed PHP to reduce the cost of sedan cars by ~20%. The company is also the first in Bangladesh to set up a 4S showroom—offering sales, service, spare parts, and surveys—and is experimenting with the concept of the 'Talking Car' able to follow verbal commands from the driver automatically.

**LET THE DATA RUN THROUGH IT.** Champions are leveraging analytics to offer personalized solutions to clients and internal sales teams.

- » **Renata Limited.** Renata utilizes a salesforce management application called MOMENTA which offers a brand recommender, doctor personalizer, and business analytics functions, enabling sales officers to deliver personalized pitches for doctors while also enhancing performance tracking.

## ORGANIZING BEYOND WITH 'ALWAYS-ON' TRANSFORMATION

Organizing Beyond is all about reflecting a new form of business agility focused on personalized and customer-centric products and services, backed by agile, cross-functional operational teams. This enables businesses to adapt quickly and pivot to fulfil evolving customer expectations in a dynamic and often disrupted global marketplace.

Emerging Champions in Bangladesh are Organizing Beyond with a bold vision for the future, embracing always-on-transformation to focus on those milestones which will deliver results and create enduring value.

**GET FOCUSED, FAST, AND FLAT.** Management teams of Champions are empowered to run individual businesses independently, with new ventures organized centrally.

- » **Confidence Group.** Engineering conglomerate Confidence embedded a decentralized hierarchy with individual businesses empowered to make their own decisions. However, group-wide strategic decisions are made centrally with a separate central team led by an

- » **Walton.** Walton delivered an internal mobile app (AWAZ) to manage fleet usage and optimize logistics with personalized route recommendations for drivers.
- » **Meghna Group.** Meghna Group is driving enterprise-wide digital initiatives with international partners. It is leveraging consulting support to implement enterprise resource planning (ERP) and upgrade distributor management systems (DMS) throughout the organization, and is focused on improving operational efficiency with continuous tracking of sales orders.
- » **Pathao.** Pathao established strong data infrastructure with a data lake created through support of over 20 data scientists and engineers. It is also following a flexible teaming model to mitigate talent scarcity, with the data science team led by a former computer science lecturer now based in Australia. The team developed a machine-learning-based underwriting system reducing defaults by 20%, intelligent data-driven driver allocation system improving ride completion rates by more than 10%, and online experimentation platform for new product features which has saved more than USD100,000 per year.

ex-investment banker leading decision making on new venture developments.

**THRIVE WITH TALENT.** Champions are inspiring talented employees to take ownership and run passion projects.

- » **Renata Limited.** Senior leadership at Renata promote a culture that supports running independent passion projects outside of core roles and KPIs. In one example, factory engineers developed a robot which reduced processing time. A senior leader at Renata mentioned, "We encourage employees to experiment which makes Renata a fun place to work."
- » **PRAN.** PRAN empowers local teams to drive growth in their respective countries by establishing an owner's mindset, incentivized by measures such as profit sharing that encourages activities that grow the business through their own initiative. Sales teams are encouraged to think like owners of franchises, rather than commission-based employees.

**Source :** In-depth interviews with leading companies in Bangladesh

## EMBRACE ALWAYS-ON TRANSFORMATION.

Champions are continuously fine-tuning strategies to grow and improve performance.

- » **FCI.** FCI delivered a substantial transformation and achieved minimal loss in time during product changeovers, resulting in high operational efficiency. Average target first-day efficiency achieved was 35%, and second day at 55%.
- » **Confidence.** Confidence's energy business achieved the lowest operating cost per megawatt of any independent power producer in Bangladesh. The group also committed a dedicated Innovation Team to focus on new business expansion.
- » **Beximco.** One of the largest conglomerates in Bangladesh, Beximco has operations and investments across a wide range of industries including Textiles

and Pharmaceuticals. As Bangladesh has experienced a period of accelerated growth and development, the groups business strategy has focused on sustainability within its core businesses with innovative plans that reduce the time, energy and effort to bring products to market and at the same time ensure the welfare of the community and value chain partners. As part of this strategy, being an agile and flexible organization with always-on transformation has enabled the expansion into new high growth sectors that support energy transition (LPG, Solar Power Plants) and digitalization transformation (Satellite Pay TV Broadcasting).

Bangladesh's Emerging Champions are enjoying a period of significant domestic success, and are now looking beyond those roots to achieve global ambitions inspired by their local approach to the three pillars of the Beyond Great framework.

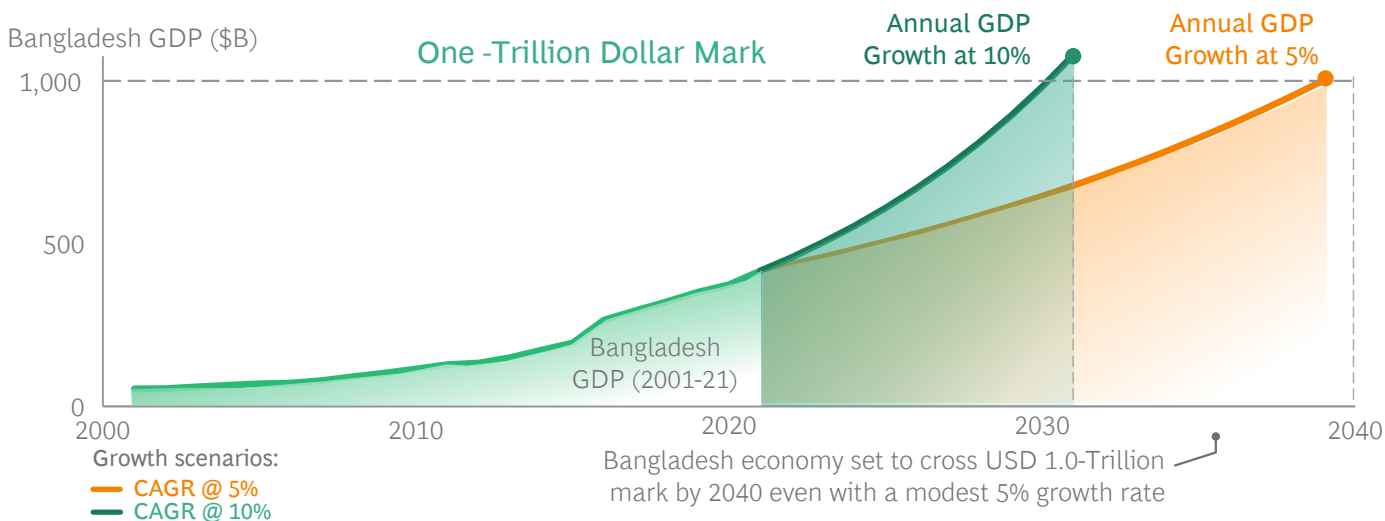
Source : In-depth interviews with leading companies in Bangladesh

# 3 | Emerging Champions All Want More

In their drive to become world-class global businesses able to recruit the best talent, build globally recognized brands, and compete with leading multinational companies, Bangladesh's Emerging Champions are willing

to push themselves to embrace more winning traits to go truly Beyond Great and lead the nation towards becoming a trillion-dollar economy by 2040. [Exhibit 6]

## Exhibit 6 - Bangladesh on Track to Become a Trillion-Dollar Economy



Source : World Bank, BCG analysis

Understanding garnered from detailed conversations with these Emerging Champions reveals a group of companies keen to draw on lessons learnt from leading global businesses, and who are actively identifying key initiatives to overcome specific challenges and achieve success built on their local roots and context.

In this chapter we explore what those ambitions look like, alongside eight interventions which Bangladesh's Emerging Champions have identified as areas of focus to empower a step change in performance. [Exhibit 7]

## Exhibit 7 - Eight Strategic Imperatives Identified by Emerging Champions to Fuel Their Ambition

| GROWING BEYOND   |   |   |
|--|---|---|
| 01<br>Raise high quality capital<br>                          | 02<br>Search for international partners<br>          | 03<br>Command a larger part of the global supply chain<br> |
| OPERATING BEYOND   |   |   |
| 04<br>Shift from process excellence to product innovation<br> | 05<br>Improve productivity<br>                       | 06<br>Leverage digital & data<br>                          |
| ORGANIZING BEYOND  |   |   |
| 07<br>Acquire digital talent<br>                              | 08<br>Drive growth through strategic blueprint<br> |   |

Source : BCG analysis, In-depth interviews with leading companies in Bangladesh



# GROWING BEYOND

## PILLAR 1: RAISE HIGH-QUALITY CAPITAL

Bangladesh’s corporate sector is primarily growing through private capital and self-funding, with Emerging Champions investing private capital to drive growth rather than raising fund through capital markets. The difference between global champions and Bangladeshi firms is especially stark when it comes to raising debt. Listed companies in Bangladesh have leveraged debt funding at a far lower level than other nations, with 42% of public Bangladeshi companies having a debt-to-capital ratio of less than 20%—a relatively modest ratio—in comparison to 15% of S&P 1200 companies. The median debt-to-capital ratio for the S&P 1200 stands at ~42%, compared to ~27% for Bangladeshi companies. [Exhibit 8] This provides S&P 1200 firms with more funding availability to drive growth and demonstrates the untapped potential Bangladeshi companies can leverage by raising more debt.

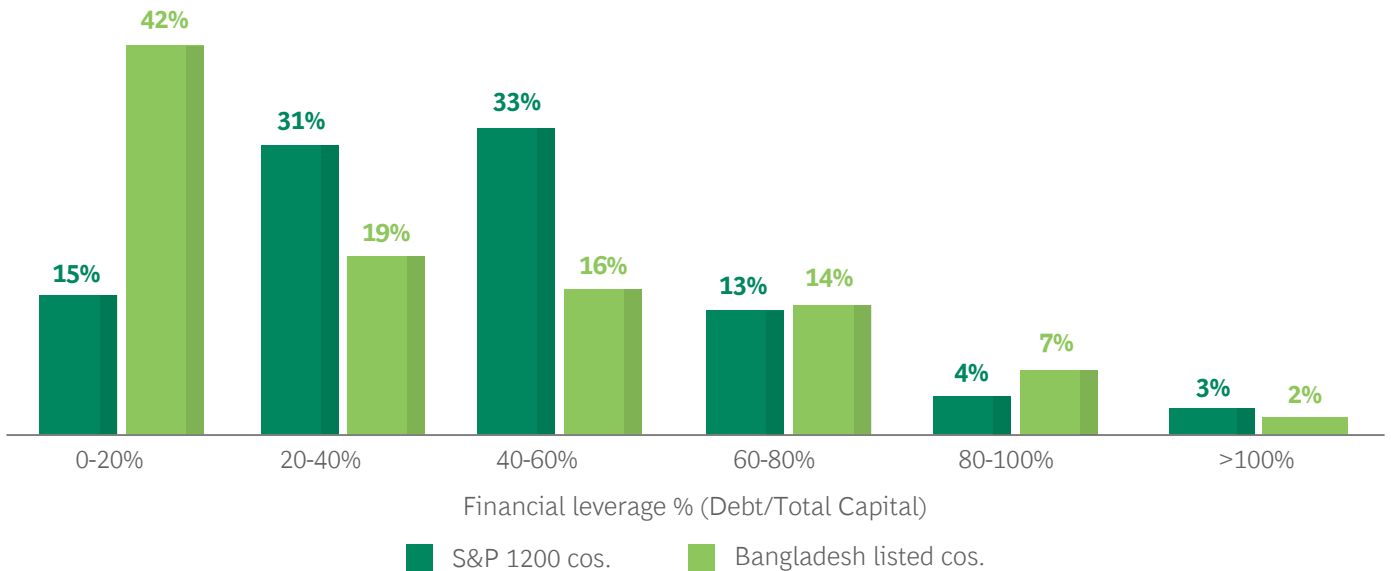
In terms of equity, Bangladeshi firms have been leveraging global sources more actively. A number of Bangladesh’s Emerging Champions—for example Summit, ShopUp, bKash—are leading the way in leveraging equity capital

from overseas investors and venture capitalists (VCs). bKash has achieved global recognition and investment from leading investors such as Ant Group and Softbank Vision Fund. Its social impact is also recognized through an equity investment from the Bill & Melinda Gates Foundation, while an investment from International Finance Corporation of the World Bank Group further validates its governance quality.

Summit Group has also been successful in attracting investments from global players, and recently completed development of two heavy fuel oil (HFO) plants in less than a year—both powered by reciprocating engine technology from long-standing Finnish partner Wärtsilä. Summit Group has managed to raise significant capital over the last 15 years with the help of many international institutions and corporations.

Such success stories are inspiring Emerging Champions to access further capital from global markets, with multiple other conglomerates also looking to leverage this route.

### Exhibit 8 - Listed Companies in Bangladesh Have Leveraged Debt Funding Much Less Than S&P 1200



Source : Capital IQ, S&P, BCG analysis

## PILLAR 2: SEARCH FOR INTERNATIONAL PARTNERS

Emerging Champions have taken active steps to build a global presence through international investment, as well as establishing dominance in local markets through synergistic partnerships with international corporates. Outbound mergers and acquisition (M&A) deals by Bangladeshi corporates demonstrate the increasingly

Source : Capital IQ, BCG analysis

global outlook of Emerging Champions, with 11 deals completed in 2021 and 2022, compared to a total of just five deals between 2018 and 2020. Between 2020 and 2022, Bangladesh stood second-highest amongst peer Asian nations in outbound deals relative to its economic size, with 3.12 deals per USD100Bn GDP—a figure only

beaten by Thailand (7.71), and above India (2.33), Philippines (1.52), Indonesia (0.84), and Vietnam (0.83). Irrespective of deal size, international organizations are increasingly becoming comfortable collaborating with Bangladeshi partners.

Pioneering companies are already expanding their global footprints through international partners. Square Pharmaceuticals invested USD 25Mn to develop a pharmaceuticals plant in an export-processing zone in Kenya and is in the process of forming a subsidiary in Manila, Philippines for import and distribution of pharmaceutical products. Fellow pharmaceutical company Renata has established subsidiaries in the UK and Ireland to access overseas markets, while others such as Walton, Pran, and Beximco are also expanding to global markets with offices in major geographies around the world.

Bangladesh's Emerging Champions are also leveraging international partners to build dominance in local markets. Asian Paints Bangladesh launched as a joint venture in 2002 with partner Confidence Cement, targeting

the production of top-class paints for Bangladeshi consumers. Over the last two decades, the company has established itself as the second-largest company in the paint market, with ~20% of total market share.

These international partnerships are just the start for Emerging Champions, as businesses across Bangladesh look to build advantage through an increasingly global outlook. Half of the Champions are seeking international partners to enable their overseas footprint.

Some champions are also leveraging partners to drive transformation and build capabilities, for example Meghna Group is driving enterprise-wide digital initiatives with international partners. It is also leveraging consulting support to implement ERP and upgrade DMS throughout the organization. Summit Group is collaborating with blue-chip technology manufacturers to equip projects with the latest and most efficient technologies to ensure the highest quality standards. Partnering with the likes of GE, Mitsubishi, JERA and Wärtsilä enables Summit Group to front-runner in use of advanced technologies.

### **PILLAR 3: COMMAND A LARGER PART OF THE GLOBAL SUPPLY CHAIN**

---

Bangladesh is the second-largest player globally in apparel manufacturing with 6.8% market share—behind only China—and caters to global brands such as H&M, Zara, GAP, Primark and others, but plays only a minor role in wider global supply chains.

Bangladesh's local manufacturing industry has expanded rapidly in recent years, experiencing 16% year-on-year growth in manufacturing value added, while major industries such as pharmaceuticals and home appliances are also expanding quickly to capture the domestic market. Bangladeshi pharmaceutical players command ~98% of the local market, and domestic electrical & electronics manufacturers such as Walton have largely replaced foreign players as market leaders in the domestic market. With a platform of domestic dominance, these companies are well positioned to become global market players.

Changing global dynamics provide an opportunity for Bangladesh's Emerging Champions to realize this

ambition by capturing a greater share of global supply chains, as enterprises across multiple industries look to diversify away from Chinese suppliers. Countries of the Association of Southeast Asian Nations (ASEAN) and Turkey have benefited particularly from a shift in US imports in the period from 2018 to 2021, with greater than 50% increase in total imports from ASEAN by USA, at a time when China's trade share of US imports has fallen by 6%. The supply chain shift from China is most salient in consumer durables and electronics, presenting an attractive opportunity for our Emerging Champions in these sectors.

Emerging Champions are actively planning to tap this opportunity with their bold growth ambitions and desire to integrate more deeply into global networks. Walton, a pioneer in the electrical & electronics industry, set up the first compressor manufacturing plant in the country, making Bangladesh one of only 15 countries in the world and second in South Asia to have set up such facilities.

# OPERATING BEYOND

## PILLAR 4: SHIFT FROM PROCESS EXCELLENCE TO PRODUCT INNOVATION

---

The manufacturing contribution has increased rapidly in the last decade, rising from 16% of gross value added (GVA) in 2012 to 22.8% in 2022. Low labor costs were an early driving force behind manufacturing growth, with costs comparatively lower than competitors. Now that cost advantage is dwindling, and Champions need to focus on driving innovation and productivity to stay competitive.

Bangladesh's manufacturing industry is now building on those foundations through a reputation for continuous process innovation. For example, FCI achieved minimal loss in time during changeovers through process innovation to consolidate their position as one of the most efficient players in the industry. Beximco developed a very complex and high-tech manufacturing process to produce modern composite cylinders—as part of their belief in technology's role as an essential component for economic growth and development. This has led to a significant boost in the country's consumption of LPG due to the lightweight, safety characteristics and high performance benefits—all important attributes in developing countries.

However, product innovation remains an overlooked area, and one which has historically been under-explored by local players. This is apparent from low research and

development (R&D) investment, with Bangladesh's R&D spend as a % of GDP sitting at just 0.3% in 2020, while the world average is ~2%. This results in Bangladesh being on the lower side of global innovation index rankings, ranked 102 out of 132 countries—behind Indonesia, Philippines, Vietnam, Thailand, and India.

Emerging Champions are now looking to catalyze product innovations, assisted by an active startup ecosystem, with 200 new startups established each year. This landscape attracted over USD300Mn in international VC funding over the last decade, and has created over 1.5Mn jobs. Scientific and technical journal articles published from Bangladesh are also on the rise, growing from ~1,500 published in 2010 to over 3,000 in 2018, demonstrating an increasingly innovative landscape.

Emerging Champions are also building global credentials through inspired innovation. Walton is employing continuous innovation through R&D to maintain its product quality, as well as offering more advanced, sustainable & environment-friendly products to enrich the society as a whole and its lifestyle, while Renata is striving to become an FDA/MHRA-compliant low-cost medicine provider through significant R&D investments.

## PILLAR 5: IMPROVE PRODUCTIVITY

---

Labor productivity was a significant challenge for Bangladesh a decade ago, but its remarkable growth rate now sees the country catching up with peer nations on this measure. Bangladesh's output per worker was just ~USD8k in 2010, almost one-quarter that of LMIC countries (~USD33k). Today, it stands at ~USD12k, 56% higher than a decade before, experiencing much higher growth than the global average (22%) and LMIC nations (36%), and nearing the impressive 61% of the BRICS nations.

Emerging Champions have evidenced significant commitment to improving efficiency, and most are actively looking for avenues to boost employee productivity further. For example, Square Pharmaceuticals has been able to drive ~3X efficiency in new factories over the last 20 years,

and plans to further improve productivity massively by 2025, primarily through economies of scale being achieved through rationing of product offerings, and implementation of simple enabling automation & optimization technologies contributing in creating sustained competitive advantage in the industry.

Square is not alone in driving forward efficiency changes, with other Emerging Champions also focused on improving employee productivity through technology enhancements. FCI also highlighted efforts to improve factory efficiency by enhancing employee productivity. Champions need to continue to invest in improving productivity to cover increasing costs driven by high inflation.

## PILLAR 6: LEVERAGE DIGITAL AND DATA

---

Bangladesh's Emerging Champions have committed to a strong focus on digital initiatives over the next five years across multiple facets of their operations. BRAC Bank has a keen focus on digital banking expansion, with 70% of new account openings and 80% of all transactions undertaken digitally. The company is planning to heavily leverage customer analytics in the coming years, and has started building a database aimed at providing a 360-degree customer view. This acts to support efforts to generate a credit scorecard for every customer, that will in turn allow

the Bank to selectively offer services based on a given customer's need and ability to pay.

Pharmaceutical company Renata is looking to invest in analytics to improve salesforce efficiency, having already introduced an in-house salesforce app to assist with personalized sales pitches and performance tracking, further exploring ways to enhance performance through improved product recommendations and automated information captured during sales calls.

Source : Capital IQ, World Bank, World Trade Organization (WTO)

Data is the foundation of an effective modern business, and one which Bangladeshi champions must invest in, to develop world-beating capabilities. Global leaders are investing heavily in data-driven solutions, with examples including Starbuck’s major focus on AI-powered personalized offerings, cosmetic brand L’Oréal’s augmented reality applications, Walmart’s major pivot to big data solutions, McDonald’s pioneering AI and voice-bot

ordering, Siemens’ automated production process controlled by robots, and Airbus’ smart glasses for assisting operators increasing productivity by 500%. While the digital ambitions of Emerging Champions demonstrate an encouraging shift towards more digital operations, we have seen limited usage of AI or analytics driving business value.

## ORGANIZING BEYOND

### PILLAR 7: ACQUIRE DIGITAL TALENT

---

Bangladesh is home to a large, expanding workforce, with a young working-age population and workforce of 70Mn workers growing at 1.7% annually. However, availability of skilled labor remains limited, with the nation ranked 123rd on the Global Talent Competitiveness Index—an international measure of how countries attract and retain talent—placing it behind India (88th), Vietnam (82nd), Indonesia (80th), Philippines (70th), Thailand (68th), and China (37th).

This acute need for digital talent is compounded by the fact that digitally-skilled employees are in higher demand in Bangladesh relative to peer nations, with 90% of surveyed employers looking for basic digital skills in their hiring. Advanced digital skills are greatly favored, and

in-demand with 50% of all companies surveyed—representing demand levels 10 percentage points higher than the average composite demand across Bangladesh, India, Indonesia, Philippines, and US.

Emerging Champions are currently dependent on external markets to meet the need for digitally-savvy talent. ShopUp is outsourcing its digital workforce to India, while Pathao has its head of technology based out of Australia. Alongside their need to tap into external talent markets, Emerging Champions need to commit investment to in-house development to grow a local talent pipeline. Government will also need to play an important role to develop a talent pipeline that can offer a strong foundation to meet future digital needs.

### PILLAR 8: DRIVE GROWTH THROUGH STRATEGIC BLUEPRINT

---

Bangladesh’s Emerging Champions are driving business ambition with an impressive entrepreneurial mindset, identifying value-adding business opportunities and then implementing them through strong functional management.

For example, Confidence Group is aspiring to reach a USD5Bn valuation by 2030, by assessing multiple verticals through a dedicated ventures team, selecting a key target vertical and driving growth towards a position of market leadership. “We have always been quite entrepreneurial in making business decisions and it has worked extremely well for us so far,” said one company representative during our conversations, demonstrating the spontaneous and adaptive nature of growth strategies by nimble Emerging Champions.

Bangladeshi conglomerate Meghna Group is also employing an entrepreneurial mindset to drive business growth, with a vision to become a USD10Bn company. “We are striving for growth in the current business and while also exploring diversification into new areas, and we’re eager to grab new business opportunities as they emerge,”

said one representative, framing the sentiment of entrepreneurial opportunity which runs through Bangladesh’s Emerging Champions.

As Bangladesh’s Emerging Champions continue to grow, it is important they look to strengthen their respective organizations and establish more deliberate and defined business strategies. If these impressive pioneers are to flourish in the next stage of growth, and continue to deliver Beyond Great, they will need an integrated strategic plan to drive short-term business decisions backed by long-term best-in-class governance.

The eight imperatives above provide a self-identified framework for high-quality implementation and sustainable, outward-looking growth for Bangladesh’s Emerging Champions. It shows how flexible, innovation-driven strategies are fundamental to future plans, and how these ambitious companies are looking to embrace new technologies and new ways of working to drive forward that opportunity. It is important for these champions to also set the right aspirations in and beyond the region, and build an organization that can enable that next wave of growth.

**Source :** BCG analysis, World Bank, Insead - Global Talent Competitiveness Index (GTCI), LinkedIn ADB report – Digital Jobs & Digital Skills







# 4 | Looking Ahead

**B**angladesh is on the move, but to reach its full potential, these Emerging Champions will need to lean in. They need to set bold aspirations, raise capital, form global alliances, invest in digital and talent, and build resilient organizations.

Emerging Champions also need to think about what makes Bangladesh unique—the gig economy, the ability to leapfrog technology beyond mature market competitors, and the wide-open spaces in new sectors like insurance, mobility, healthtech, affordable luxury, and renewable energy to lead towards future growth. We have identified six areas where champions can learn from leaders in other markets to pump up their growth and complete the journey from Great to Beyond Great.

- 1. Build financial resilience.** Recent global disruptions are leading to significant impacts across companies' P&L and balance sheets—with varied effects by sector and region. C-suite members around the globe have ranked flexibility and resilience as their number one priority for 2022 and beyond. Moreover, refinancing is expected to be challenging in the near future, making it imperative to build financial resilience to mitigate negative impacts. Considering the recent impact on Bangladesh economy, adaptability will be vital to the success of Emerging Champions. It will be important to achieve financial resilience by reassessing cash management, re-evaluating financial trade-offs, improving agility of financial steering and adapting capital allocation.
- 2. Drive transformational growth by leveraging the balance sheet more aggressively.** In the longer-term, champions should strive to sweat the balance sheet more by actively raising funds, effectively allocating capital and managing their portfolio efficiently to deliver turbocharged growth. While raising high-quality capital is already on the agenda for the Champions, they need to also look beyond and embark on transformational growth during these volatile times. In the increasingly complex environment facing us today, it is essential that champions face uncertainty with an immediate response and a long-term transformation plan to win.
- 3. Form capital partnerships and drive FDI.** Even with strong economic growth, Bangladesh's Foreign Direct Investment (FDI) never accelerated at the same pace as other emerging economies. However, with sound investments in building long-term Intellectual property (IP), Bangladeshi Emerging Champions can look for international capital via strategic alliances with investment funds like Sovereign Wealth Funds (SWFs), especially from the Middle East, Japan, SEA etc., which are actively looking to make large international bets.
- 4. Bet on digital and data.** COVID-19 has accelerated the path to digital for all economies around the world, including Bangladesh. The next phase of growth for our champions will come from customer-centric digital transformations focusing on the fast-growing Middle and Affluent customers (MAC). However, champions must be careful about how they proceed with their transformation efforts. Globally, only 33% of organizations successfully meet the challenge of digital disruption. Those who do tend to make big strategic bets—on the order of 10% of their market capitalization—are rewarded with significant revenue growth and 14 extra points of total shareholder return. Defining a solid digital strategy roadmap will be critical to ensure success for the Bangladeshi champions.
- 5. Invest through CVCs.** Champions with large, stable balance sheets need to utilize Corporate Venture Capital (CVC) investments in disruptive emerging technologies to drive product innovation through the vibrant start-up ecosystems in Bangladesh and overseas. Champions will need to be careful in setting up the CVCs as it is essential to define the mandate, set the strategy, and prepare the investment vehicle before identifying opportunities and investing.
- 6. Form coalitions and be part of ecosystems.** Though extremely challenging, champions should strive to collaborate among themselves instead of working in isolation on themes currently shaping the world, like sustainability and Artificial Intelligence (AI) - creating a broader impact. In the new global environment, value chains are becoming multi-dimensional. Through digital platforms, erstwhile competitors are collaborating, companies are creating far-flung ecosystems of global suppliers and partners. Maersk and IBM, for example, created a global digital shipping platform called TradeLens. This blockchain based platform aims to prevent delays caused by documentation errors and late information. Similarly, hardware manufacturers are now partnering with digital enablers, pharmaceutical companies use digital platforms to test new drug molecules on groups of volunteer patients around the world, software companies have independent programmers located around the globe. Such ecosystems are transforming global companies' innovation processes and business models. Now is the right time for Bangladeshi Emerging Champions to actively endeavour to become part of the global ecosystem and grow by growing others.

While Emerging Champions need to invest, they will also need support from the government with the right national programmes predominantly focused on reforming the



banking sector, building technology infrastructure (e.g. large scale data centers), digital talent development / upskilling, improving Ease of Doing Business through targeted interventions and FDI attraction campaigns such as “Made in Bangladesh”. It is important to take learnings from other national programmes, such as Singapore’s RISE (Rapid & Immersive Skill Enhancement) program, designed to enhance employability for mid-career jobseekers by upskilling them on the skills of tomorrow.

Global champions and investors have an opportunity to collaborate with the Emerging Champions from Bangladesh in their quest to consolidate their positions in the local market and expand to overseas markets. Society, meanwhile, should keep optimism levels high, translate their anxiety around future income into investment in new skills, and unlock exciting new opportunities through the nation’s growing ecosystem of billion-dollar employers.

As we have done in other markets, we advise aspiring Emerging Champions to consider five key questions to help shape their future growth:

- What is your growth ambition for the next 10 years?
- How ready are you to find partners, opportunities, and financing internationally?
- How well is your supply chain and balance sheet prepared for continued disruptions?
- How significantly have you leveraged data and technology to get closer to your final customers?
- How embedded in your DNA is the idea of driving continuous innovation?
- How are you preparing your workforce with the skills of the future?

Now is the time for Bangladesh to take action and emerge as a global player. Given our 20 years of experience supporting organizations in Bangladesh across the private and public sectors. We are enthusiastic about collaborating with the local champions on the mission to grow Beyond Great. This is a remarkable period in the nation’s story, and we are very optimistic about the Bangladesh’s journey towards the coveted trillion dollar prize.



# About the Authors



**Zarif Munir** is a Managing Director and Senior Partner in the Kuala Lumpur office of Boston Consulting Group. He is a core member of the firm's Industrial Goods and Investors practices and believes strongly in the development of Emerging Champions. He may be contacted by e-mail at [munir.zarif@bcg.com](mailto:munir.zarif@bcg.com)



**Saibal Chakraborty** is a Managing Director and Partner in the New Delhi office of Boston Consulting Group. He is a core member of BCG's Public Sector and Technology, Media and Telecom (TMT) practices and leader of the Technology Advantage practice in India. He has worked extensively on projects covering public & private sector over the last 5 years in Bangladesh. He may be contacted by e-mail at [chakraborty.saibal@bcg.com](mailto:chakraborty.saibal@bcg.com)



**Tausif Ishtiaque** is a Partner in the Kuala Lumpur office of Boston Consulting Group and a core member of the Financial Institutions practice. He has extensive experience delivering BCG's projects in Bangladesh, and has managed multiple projects with public and private sector clients. He may be contacted by e-mail at [ishtiaque.tausif@bcg.com](mailto:ishtiaque.tausif@bcg.com)

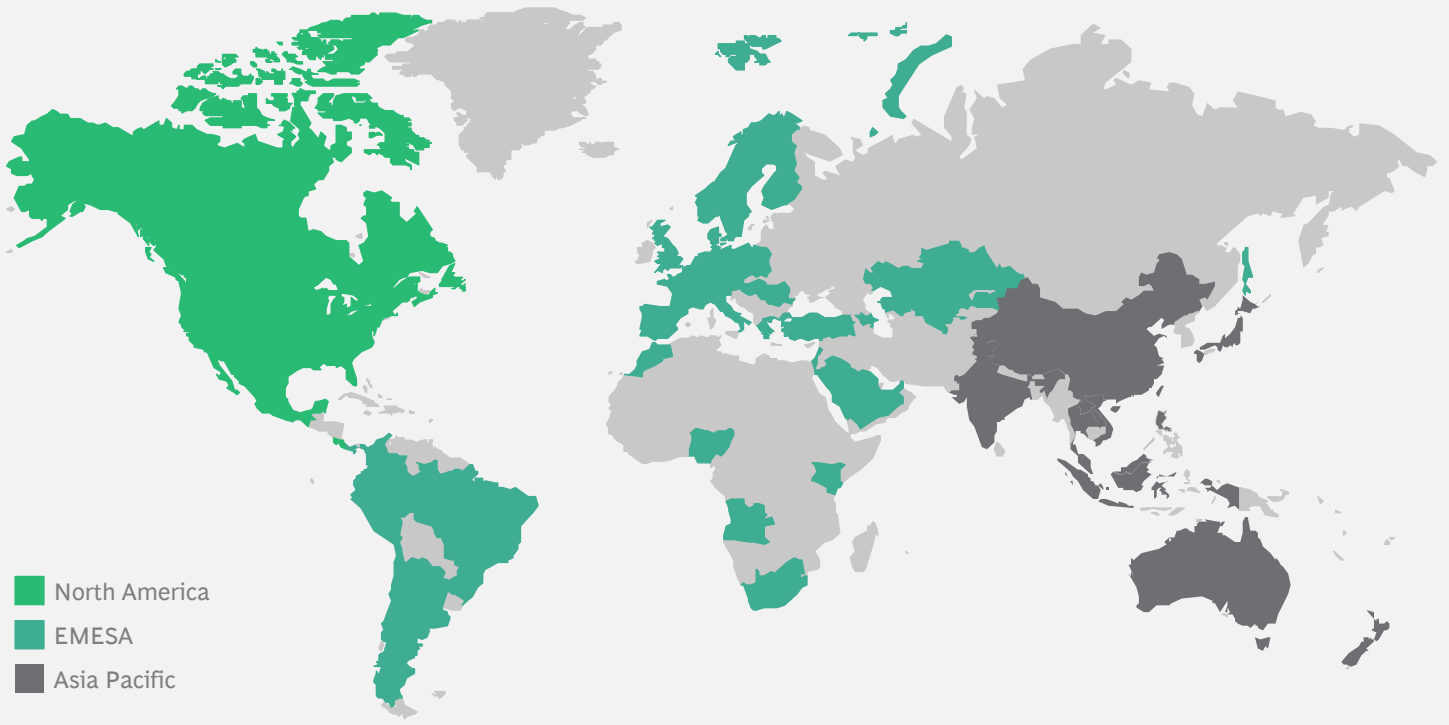
## Acknowledgments

The report would not have been possible without the substantive contributions of Urvashi Gupta & Sahil Puri. The authors would also like to thank Dr. Hans-Paul Bürkner, Arindam Bhattacharya, Dr. Nikolaus S Lang, Dr. Michael Meyer, Dr. Mir Salim, Jim Minifie and Belinda Gallagher for their valuable contributions in enriching the content through their expertise and counsel.

A special thanks to the Centre for Consumer Insights, the Global Advantage practice, and our proprietary Knowledge Team for building the fact-base on Bangladesh.

## For Further Contact

If you would like to discuss this report, please contact one of the authors.



- North America
- EMESA
- Asia Pacific

Abu Dhabi  
 Amsterdam  
 Athens  
 Atlanta  
 Auckland  
 Austin  
 Bangkok  
 Barcelona  
 Beijing  
 Bengaluru  
 Berlin  
 Bogota  
 Boston

Brussels  
 Budapest  
 Buenos Aires  
 Calgary  
 Canberra  
 Casablanca  
 Chennai  
 Chicago  
 Cologne  
 Copenhagen  
 Dallas  
 Denver  
 Detroit

Doha  
 Dubai  
 Düsseldorf  
 Frankfurt  
 Fukuoka  
 Geneva  
 Hamburg  
 Helsinki  
 Ho Chi Minh City  
 Hong Kong  
 Houston  
 Istanbul  
 Jakarta

Johannesburg  
 Kuala Lumpur  
 Kyiv  
 Kyoto  
 Lagos  
 Lima  
 Lisbon  
 London  
 Los Angeles  
 Luanda  
 Madrid  
 Manila  
 Melbourne

Mexico City  
 Miami  
 Milan  
 Minneapolis  
 Monterrey  
 Montreal  
 Mumbai  
 Munich  
 Nagoya  
 Nairobi  
 New Delhi  
 New Jersey

New York  
 Osaka  
 Oslo  
 Panama City  
 Paris  
 Perth  
 Philadelphia  
 Pittsburgh  
 Prague  
 Rio de Janeiro  
 Riyadh  
 Rome  
 San Diego

San Francisco  
 San Jose (Costa Rica)  
 Santiago  
 São Paulo  
 Seattle  
 Seoul  
 Shanghai  
 Shenzhen  
 Silicon Valley  
 Singapore  
 Stockholm  
 Stuttgart  
 Sydney

Taipei  
 Tel Aviv  
 Tokyo  
 Toronto  
 Vienna  
 Warsaw  
 Washington  
 Zürich



# BCG in Bangladesh

BCG has worked extensively with a wide range of partners in Bangladesh over the last 20 years, successfully undertaking more than 20 projects across both private and public sector. During this time, we have had the pleasure of working directly with the Government of Bangladesh on key projects to spur economic growth and unlock the potential of leading companies as part of the nation's impressive growth story.

We work closely with partners to design, develop, and deliver customized solutions that meets their unique organizational needs, leveraging our extensive global experience and cutting-edge business acumen informed by local context and cultural understanding. Notable projects completed in Bangladesh span across multiple industries and applications:

- **National ICT sector development.** Development and execution of a strategic CEO outreach program for the ICT sector in Bangladesh, in collaboration with the national ICT Division. This project was targeted at catalyzing rapid growth of the IT/ITeS sector, with a vision to brand Bangladesh as an investor's destination of choice.
- **National power infrastructure project.** Designing the Smart Grid Roadmap for the power sector, in partnership with the Ministry of Power, Energy and Mineral Resources. This forward-looking project aimed to support greater adoption of smart grid technologies across the power sector and sub-sectors of distribution, transmission, and generation.
- **National smart nation roadmap.** Working with key national stakeholders to design the 2041 Smart Nation Blueprint for Bangladesh. This visionary roadmap combined over 40 mega-programs across four pillars of change—smart citizen, smart government, smart society, smart economy—to enhance digital access and transform Bangladesh into a digitally-empowered economy and society.
- **Interoperable digital transaction platform.** Working with interoperable digital transaction platform, Binimoy, to design an effective business and operational model to ensure optimal value-add for all stakeholders, including citizens, businesses, government, and banks.
- **Private sector growth strategy.** Working with a leading mobile financial services provider to develop an effective growth strategy to enable business expansion.

Alongside local partners, BCG has extensive experience collaborating with major global clients to facilitate their operations and integration within Bangladesh, helping create impact and deliver enhanced value.

Our deep market understanding also informs a range of thought leadership articles on Bangladesh and beyond, with focus on areas such as consumer behavior, and the Bangladeshi power sector, reflecting our deep commitment to delivering detailed insight to unlock value for the nation. These reports help inform key investment decisions by global partners. BCG has also worked directly with leading analyst companies such as Everest Group, IDC, HFS, to publish reports which analyze and promote sector-specific insight for Bangladesh.

As an organization we are both deeply connected and highly committed to the future of Bangladesh, and are optimistic about the remarkable growth prospects of this vibrant nation over coming decades. We wish to continue playing a part in supporting that story as we seek to realize the ambitions of Bangladesh 2041, providing our expertise to drive positive, large-scale transformations, and leveraging our strong local connections and global experience to empower opportunities across all sectors and sections of society.





HUB  
STRATEGIC  
SOCIAL  
IMPACT  
SKILL  
DATA  
DIGITAL  
GLOBAL  
SUPPLY  
CHAIN  
COMPETITIVE  
PARTNERS

CORPORATE VENTURE CAPITAL  
ALWAYS-ON TRANSFORMATION  
EFFICIENCY  
ONLINE  
COST

SERVICE  
FUTURE  
SMART  
CHANGE  
DOING GOOD  
GROWTH  
UPSKILLING

DIGITAL  
OPPORTUNITY  
LEADERSHIP  
INTERNATIONAL  
SUSTAINABILITY  
TALENT  
CONSUMER CENTRIC  
BOLD VISION  
CAPITAL PARTNERSHIPS  
ECOSYSTEM

SMART CAPITAL  
THINKING  
FLAT  
TALENT

BALANCE SHEET  
EXCELLENCE  
INTERNATIONAL SAVVY  
DIGITAL PRODUCT  
INNOVATION  
ZERO  
LOSS

TRANSFORMATION  
RESILIENCE  
ECOSYSTEM  
PRODUCTIVITY  
DRIVE