

Business The manifesto

Doubters scoffed every step of the way, but Bestway chief has the last laugh

The buyer of Co-op's pharmacies shuns gurus and knows the value of hard work, writes **Marcus Leroux**

Before it emerged as the £620 million buyer of the Co-op's pharmacies, Bestway Group was on nobody's radar, save for the army of small shopkeepers flocking to its cash-and-carry depots. And that was just the way that Zameer Choudrey liked it.

"We're a private family business and there's no need for anyone really to be interested in us," he says breezily, across the varnished oak table at the company's headquarters off the North Circular in London. "No interest, no media coverage and less pressure on us as management. So life has been good so far." He breaks into the first of many mischievous chuckles.

Despite its low profile, the wholesaler has become a sizeable business. The empire that began life as a corner shop in Earls Court opened by Sir Anwar Pervez in 1963 will have a revenue of £3.2 billion after the deal. Sir Anwar, a Tory donor, remains chairman of the company, but he handed over executive duties to Mr Choudrey, his nephew, in 2004.

In addition to the British wholesale business, it owns Pakistan's second-largest bank and second-largest cement manufacturer, but a lot of people will ask what qualifies a family of cash-and-carry tycoons to run Britain's third-largest chain of pharmacies.

"We don't mind having our head above the parapet. Our heritage is in retailing, so we're not averse to dealing with the public," Mr Choudrey says with another chuckle.

"We started in ethnic retailing when we went into mainstream retailing. Everyone was saying, 'What are they doing? What do they know about mainstream retailing? Stick to what you know'. But we went and made a success of it. When we moved from retailing to wholesaling, people said, 'They will be done in three months'. Here we are 38 years later, the second-largest player in the UK after Booker."

He is only warming up. "When we went into cement, it was 'What do they know about cement? They're retailers, shopkeepers, what are they doing in manufacturing? They're crazy. It's complicated, sophisticated'. The first plant we set up was greenfield — we bought a piece of land, designed and built it ourselves. Our first plant was a record in the industry in Pakistan — we did it in 30 months. The second plant, we did it in 24 months." That remains a record in Pakistan, he adds with pride. "Then, when we went into banking, they said, 'Now these guys have really flipped,'" he says, breaking into laughter.

The pharmacy business has professional management in place and sits in a fragmented market that will benefit from an ageing population. "It's a very well-run business with a good management team and probably the highest customer satisfaction in the industry," Mr Choudrey says. "Those boys know what they're doing — because the customers tell them so."

"It has been profitable for many, many years — there are no issues in the business. It has 7,000 people. It's army. Our task is to overlay our commercial



"Our heritage is in retailing, so we're not averse to dealing with the public," Zameer Choudrey, the Bestway chief, says

values, to bring in maybe a bit more urgency, but that's about it."

Conglomerates have been out fashion for the past generation or so as MBA students learn about "core competencies" and chief executives slavishly recite that they are sticking to what they do best.

Mr Choudrey gives that mind-set short shrift. "That's fair enough, but these mantras keep on changing every year," he says. "And just because some professor or some business guru changes his mantra doesn't mean one has to change one's business models."

"We will stick to what we know best and what works for us, whether the gurus agree with that or not. I've always liked the concept of a conglomerate. The idea has always appealed to me and, as long as it carries on working for us, we'll carry on doing it." The prospects for expansion in wholesale were less promising, but he still insists

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'Our task is to overlay our commercial values, but that's about it'

that the industry is in a good shape. "If you bear in mind this industry has been under sustained attack for the last 30 or 40 years from the high street multiples and is still managing to grow, has grown for the last five years and is expected to grow again in the next five years, I would say, yes, it's in a healthy state, actually."

He is unfazed by the "third-generation problem", caused by the dissipation of hunger and talent as family owner-

ship passes to the next generation. "There are businesses [cement and banking] that are run by professional management, so you only have some family members in the wholesale business, which is our original business, and in the holdings group board. So there's very little damage we can do." He breaks off again into hearty laughter and seizes the opportunity to indulge in some familial pride.

"Even our family members are professional," he says. "Among the family we have five Etonians, one Harrovian, three Cambridge graduates, I think, one Oxford, one Nottingham. And lot of accountants."

Bestway is one of a host of privately held businesses founded by first or second-generation immigrants from the Indian sub-continent. Is this an Asian story? "Not at all," he says. "Look at all the immigrants from the Saxons onwards. They come here for better op-

Q&A

Who is your mentor?

My uncle, Sir Anwar Pervez, the chairman of the Bestway Group

Does money motivate you?

It does drive me, but it comes with great responsibility. It motivates me only inasmuch as it signifies progress and growth (ie, for our business). More than money, for me the biggest motivation is business itself and the challenges that come with it

What was the most important event in your working life?

Joining Bestway. I had been working in an accountancy firm and would spend my weekends working in the depot. Within a week of joining, I was asked to take over the finance department

Which person do you most admire?

Ratan Tata, of the Tata Group. He is a remarkable businessman

What is your favourite television programme?

Game of Thrones

What does leadership mean to you?

Gaining the trust, confidence and support of your colleagues

How do you relax?

Spending time with my family, watching and playing sports, especially cricket. Otherwise, I like to watch movies, go for walks and dine out

CV

Age 56

Education University of Kent, accountancy

Career: 1984 Financial controller, Bestway; 1987 Managing director of retail operations, Bestway; 1990 Finance director, Bestway Group. In charge of diversification; 1995 Chief executive, Bestway Cement; 2002 Joins board of United Bank Ltd in Pakistan, after acquisition; 2004 Chief executive, Bestway Group. Also governor of The Rainbow Foundation, deputy chairman for Pakistan and Britain Trade and Investment Forum

Family Married, with two sons

portunities if they are given half the chance they're going to work harder, and if they work harder they meet with success — it's as simple as that.

"For immigrants there is no comfort zone to begin with and the only way they are going to survive is by working hard. They learn that pretty early on. I think insecurity drives them to hard work and propels them to success."

With the acquisition of 774 pharmacies, Mr Choudrey and Bestway are once again leaving their comfort zone behind. It makes you wonder at the master plan behind the toil. When was the last time the family took a dividend out of the business?

"Never," he says. So you just pay yourselves salaries?

"And keep on working." He pauses. "The endgame? The endgame is to keep on working and not look back."

He erupts into a delighted chuckle one more time.