



Meet the Leader

Photography: Runner Group

With the growing popularity of motorcycles among the young generation, the local motorcycle manufacturing sector is growing at around 25 percent annually. The market share of motorbike assembling companies is gradually being grabbed by local-made complete build units (CBUs) and within next five years, the motorcycle market is likely to be dominated by local manufacturers. One of the most prominent manufacturing companies is the Runner Automobiles Limited, led by a visionary chairman, Hafizur Rahman Khan. In a candid conversation with Tanzina Ahmed Choudhury, Khan showcases his entire journey of success in establishing the “Runner Group” which has become a well-known entity of the country.

“Runner Automobiles Limited was established in the year 2000, although I have been associated with this industry from way back in 1984,” the entrepreneur begins. “As I was an informant about this industry, we started off as an assembly plant. Later, when the growth was there and the quantity demanded increased, we moved to manufacture automobiles in Bangladesh. We began manufacturing from the year 2007; however, our own factory was eventually set up in 2011. This whole business prospect is an on-going process and the idea evolved as a result of the market growth. Still the Bangladesh automobile market is growing with an average growth of 25 percent and indeed the growth is quite promising. The increasing growth of the industry is definitely the result of the improving growth of the country,” he continues.

When asked about the origin of his company name, Khan promptly replies, “The name ‘Runner’ implies ‘Speed.’ As an automobile company, we wanted to imply that our automobiles are faster and quicker than others. That’s why we selected the name “Runner.” We started off with a Chinese bike Dayang. Last year, we signed a contract with Dayang initiating a partnership between us. Under the contract, the company will provide us with the technology and support to set up an automobile manufacturing industry in Bangladesh and in turn we will sell those manufactured automobiles under the brand name “Dayang-Runner”. As the “Dayang-Runner” product is yet to be launched in the market, thus we are not opting for any large scale market promotion. However, we have also signed Shakib-Al-Hassan as the brand ambassador for our product. The promotional activities are being planned and will take off in full swing from April or May.”

Being the son of a government official, Hafizur Rahman Khan attended school at different parts of the country. He completed his graduation and post graduation in Management from Rajshahi University. Quoting his earlier days, Khan adds, “My interest in business came from my field of study in management. To be more aware of the knows- and- hows of a business, I joined a private enterprise post graduation. Later on, in the year 2000, I started off my own venture. When we began our business, we invited the dealers who were involved in the automobile industry to invest in our venture. They came forward with their capital and we jointly commenced this business. Presently, we are a private limited company and we hope to convert into a public limited company by 2014 through floating shares to the public.”

Khan does not belong to a business family. However, his family never resorted to create any obstruction in his way of work. “Being a service holder, my father never wanted me to go in the line of business. Gladly, he was able to witness my success in business before he passed away. Our generation of entrepreneurs is all self-made individuals. I am one of them as well; my venturing into business was my very own discretion,” further adds Khan.

Reminiscing his earlier days of business, Khan recalls, “ Although by the time we came into business with the Runner Group, the communication facilities were developed, yet the developing market of China was the main difficulty we faced. Our representatives attended fairs at China in order to attain various business contacts. However, China had not developed back then. Travelling and finding the right food delicacies there that suited our taste became the major hurdles. However, with the passage of time the communication channels along all lines have vastly improved and today we are enjoying much better facilities.”

Competition in the automobile industry in Bangladesh is getting tougher amid the local and international operators. Khan attributes their after sale service to be the key reason behind their sustenance in the market. “Initially when we launched our Chinese motor-cycle in the domestic

market, we had to face severe competition from the Japanese manufacturers. In comparison to the Japanese products, our ones were inferior in terms of quality. To compensate for the lower quality we launched our after sale service. It was our attempt to get in close touch with our customers. However, our competitors who provided the better quality products did not adopt any such policy as they believed their products did not require any such service. The result is that all our Japanese competitors have perished away from the market while we are still sustaining. Defining quality is an abstract phenomenon. Anything which is acceptable to the customers is what we define as quality. The fact that our Chinese

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product was not up to the mark has taken us to the point where we have taken all initiatives to provide an acceptable product at an acceptable price to our customers. Our product has provided us with the platform to conduct our business with the proper strategy. If it was not for our product, we would have never opted for the after sale service tactic and our fate would have been as that of the Japanese manufacturers.”

Khan has a total of six companies under the umbrella of his Runner Group. “We began our journey as Runners Automobiles Ltd. Later we started Runner Motors whereby we import and sell Eicher trucks. The success of Runners Automobiles Ltd. has

encouraged Eicher trucks to approach us to sell their trucks. Meanwhile, we established Runner Bricks backed by the idea to be involved in producing a local raw material for our people. By the passage of time we have involved ourselves with the agro business through our Runner Agro Products Ltd. Since the world has become technology based we have tried to cope up with the pace and hence commenced our latest venture called the Runner System Technology.”

Runner Group annually generates revenues totaling over BDT 750 crore. Runner Automobiles Ltd. itself provides BDT 350 crore per year. The company has a growth of 30 percent per year. However, due to the macroeconomic instabilities in 2012, the growth of the company reduced to an extent. The global demand for both motorcycles and trucks fell substantially. Despite the fall in revenue the company still holds their market share of 15 percent in the market.

Khan is the father of two upcoming young entrepreneurs. His elder daughter is currently completing her post graduation in International Relations from a reputed university in the United Kingdom, while his son is currently doing his under graduation in business administration in Dhaka. Both the children possess great enthusiasm towards carrying forward the legacy of their father in the future.

Khan values and understands the need for corporate social responsibility. Amid the growing success of the Group, it is involved in various social activities. Under its donation scheme, the Group sponsors regular scholarships to the children of its employees since 2006. Besides, it also provides aid to the poor talented children who are studying in the schools and ‘madrasas’ located in Bhaluka nearby the Group’s factories. The Group has established ‘Runner Welfare Trust’ which is involved in the aid of providing education to the under privileged children. Besides, the trust also looks after the various donations the group is involved in. Besides its contribution to the country’s GDP, the Group is also providing immense growth to the society as well.

Interview is taken by Tanzina Ahmed Choudhury. All views and opinions expressed here are solely of the interviewed persons and neither represent the views of LankaBangla Securities Ltd. nor those of any of its associated institutions.