

Banks, brave hearts and business heads



■ Are you brave enough to become a first-time entrepreneur and risk your life savings at the age of 50? fME talks to one successful entrepreneur about how he did it and the role his banking relationship played in his success ■



In 2004 at the age of 50 and with no entrepreneurial experience, Ishwar Jodha started his own freight forwarding business.

It was a terrifying move. He did it alone with no financial backing or investment and he used all his life savings to fund it. If it didn't work, he would lose everything and that was a horrifying prospect for a man in his 50s who had a secure job as Managing Director of a large multinational company. But still, he took the plunge and Triple Crown Shipping & Logistics LLC was born in November 2004.

"My motivation was to have something to do after corporate retirement age and the dream of setting up a successful business was always tempting," Jodha says. "The driving force also was to set up something for my family."

Now, about seven years later, Jodha's company is turning over AED 17 million per annum of which a healthy 17 per cent is profit while the rest is put back into the business to cover overheads.

Triple Crown is a definite success story but it hasn't been an easy road. At the end of the first two years, Jodha's doctor diagnosed him with stress-related diabetes – a result of the pressures of the new business. Happily, with his business now stable, the diabetes is gone and Jodha is able to put more time in on the golf course... not too much though because he still has ambitious plans. Jodha has growth on his mind, he sees the next stage as buying warehouses and opening branch offices in the areas delivering the most business, namely India and China and for this stage, help with capital investment from a bank is necessary.

"Next step, I want to buy my own warehouse and other assets. Obviously, for this I need to go back to my bankers because I don't have that kind of money, the capital investment will have to come

from banking relationships."

Many entrepreneurs have turned to banks for financing and advice at a number of stages in their business' growth. For Jodha, the use of an overdraft facility from RAKBANK in the early years of Triple Crown was the difference between keeping the business ticking over and seeing it fail.

"RAKBANK came in when I was seeing an increase in business volumes, in particular project shipments. The difficulty I was facing was that the funds were being remitted from the origin country, e.g the US, for a shipment and these were very large amounts of money. The thing was, we had to pay upfront on behalf of the customer for freight and duty and we had to pay this before we'd received the remittance from the client. RAKBANK helped with an overdraft facility to cover that interim period. This was about three years after the start up by which time my own resources had been used up."

Today, Triple Crown is in good financial shape and to date Jodha has not needed to take out a loan. For the next stage of growth though a bank loan would be essential.

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Ishwar Jodha

Entrepreneur and founder of Triple Crown Shipping & Logistics Ishwar Jodha describes the agony and the ecstasy of launching your own business...

Starting and growing a business

1. Why did you decide to start your own business?

After more than three decades in the shipping industry and climbing the corporate ladder from a sales rep to Managing Director of the company, I was convinced it was time to pursue my dream of owning my own company. Having lived in Dubai for over 25 years at the time, I chose Dubai as the place to start it.

2. What were the biggest challenges involved in starting and running your own business?

One of the major concerns I had was the fact that I was starting at a later stage in my life. I knew that a start up requires a lot of hard work, dedication and long hours yet here I was at the age of 50 venturing into something normally done when one is at least 20 years younger. Some of my friends even advised me against it, especially since I was in a very good job that

3. The biggest obstacles to overcome?

The biggest obstacle was the fear of losing everything if I didn't make it because I had put at stake all my savings; I had no financial backing or investor supporting me.

4. How did the banks help with getting your business off the ground and growing it?

Unfortunately, banks do not come in at the stage of getting the venture of the ground, at that stage you are on your own. Yes, they contribute in expanding it and sustaining it once you have weathered the critical start up years. I had approached banks but was told that they had a practice of not lending or granting facilities to private SMEs before a three year period of operation. Unfortunately, I feel that's the time one needs the help the most, but I can understand their policy is to ensure that they are lending to a stable company.

5. Was RAKBANK's contribution only financial?

For me, RAKBANK stepped in with their new SME products at the right time, about three years after we started, by which time my own resources were stretched to the max.

Yes, at the time it was only financial, though I must admit, I went in with a pure loan request and it was they who suggested the overdraft facility which in fact served my needs much better than a loan because I needed those extra funds only for short periods of time when remittance from the client was delayed.

When we started work with RAKBANK they were not the only bank we dealt with, but today they are my main bankers, that says it all. I am getting served well. I keep asking my accounts staff, 'is there anything we need to discuss with our bankers?' and all I get back is 'no, all is well', a famous line from a famous Indian movie.

6. What's the best part of having your own business?

There are several good things, especially when you see it grow. If you ask me the one best part, it is surely the satisfaction of providing employment and support to staff and their families.

7. What are your plans for future expansion and/or exit?

We are a medium-sized company, but one that is operated with top class governance, employee and customer satisfaction. Basically we have worked towards keeping all our stake holders happy, we have been chosen for the Dubai Government's Dubai SME 100 initiative and are proud of that achievement.

We have plans of expansion which involve offices in air and sea port free zones and some additional products to sell. Exit plans are at the back of every 56-year-old's mind I guess, but there is lot to achieve before that. Maybe on our own or through mergers. 

