



Chief Executive Officer, Serena Hotels, Aziz Boolani

ICMAP: Please tell us about your company, brands and contribution towards economy?

AB: Serena Hotels, a subsidiary of the Aga Khan Fund for Economic Development [AKFED], is one of the leading hospitality brands of the world with a selection of resorts, safari lodges and hotels in the developed or developing countries in Africa and Asia. The Serena chain comprises of 37 properties located in Afghanistan, Kenya, Mozambique Pakistan, Rwanda, Tajikistan, Tanzania and Uganda.

Serena Hotels are committed to contributing towards tourism and positive community development wherever we are located. We employ a large work force which is provided with skills enhancement and development training. Similarly we work with local communities to instill and develop skill sets amongst the residents. This not only increases the overall employability rates in the region but also allows the individual to seek employment abroad, particularly in Middle Eastern countries. The company also earns foreign currency for the country and acts as a tax collector for the Government. Our Heritage properties in Shigar and Khaplu share part of their profits with the local communities.

ICMAP: What do you say about growth trend of food business industry in Pakistan?

AB: Pakistan has a rich heritage of cuisine that varies across different regions of the country. The food serves as a conduit, connecting people across borders. The food industry has always been popular and I foresee great potential in times to come. With the advent of globalization, there is also a large market for international and continental cuisines. The amalgamation between traditional and more modern cuisine may be the next frontier for the food business in Pakistan.

ICMAP: Can you briefly explain your supply chain from purchase to sale outlets?

AB: We follow international standards i.e ISO 22000 food management systems that comply with the international food safety guidelines, ensuring a value-chain from the 'farms to the customer's plate'. Certified food products are carefully selected from the markets which meet our highest levels of food safety and hygiene, followed by rigorous processes from preparing to serving food.

ICMAP: Do you import your machineries or buy it from local sources?

AB: All the machineries used within the Serena Hotels kitchens are imported, mostly from the USA which includes Hobart, Vulcan, Bolget, Sotto Riva (Made in Italy Bakery Ovens) and Scotsman.

ICMAP: What are your operational challenges and how you overcome them?

AB: One of our major challenges is high staff turnover. We run very thorough and comprehensive training and development programs, raising the employability level of our associates. Often, they are picked up by hospitality chains in the Middle East which means we have to begin the process all over again. However, we are very excited that our training programs raise living standards for our employees by garnering them new and exciting opportunities in different parts of the world. This also helps the country through foreign exchange earnings.

ICMAP: Who is your target market and how you attract them through advertising?

AB: Our clientele consists of corporate, diplomats, government functionaries, corporate leaders and international agencies. Serena Hotels' strong brand name allows us to explore multidimensional marketing campaigns and initiatives which set us apart from other organizations. Our brand focuses on promoting a softer image of the country through our Cultural, Sports and Adventure Diplomacy Initiatives.

ICMAP: What is your company's market share and who are your competitors in Pakistan?

AB: In the food industry, Serena Hotels has taken a distinctive portion and does not compete with stand alone restaurants or hotel outlets. Other than the all day dining; our signature restaurants are offering specialty cuisine in the areas we operate. In all areas, we exceed our market share in food and beverage sales.

ICMAP: Which food items you import and how you ensure 'Halal' authenticity?

AB: Serena's philosophy is to use indigenous products to support the local economy. We import a very small percentage of food items that include canned products, sauces and dry ingredients.

ICMAP: Are you complying with any local or international standards/benchmarks?

AB: Serena Hotels follow all Safety Laws set by the National and Provincial governments along with international standards such as ISO 22000 and HACCP. Islamabad Serena Hotel is a member of the Leading Hotels of the World (LHW) and as such the Hotel follows all international standards and requirements to meet and exceed customer expectation.

ICMAP: Do you have financial reporting mechanism such as annual report, etc?

AB: Annual reporting on the Financial Performance of Foods, Beverages, Room Environment, Health and Food Safety procedures are shared with the Board of Directors and relevant stakeholders quarterly, along with random audits to ensure that all System guidelines and controls are in place We engage external auditors for financial and ISO certification.

ICMAP: How Management Accounting can help make food business supply chain and resource utilization efficient?

AB: Management accounting systems helps the organizations in food production, costing and revenue management through standardization of processes. The systems also allow for more efficient waste management, decisions on margins and enhancing profits through cost and waste controls. It also helps in provisioning and inventory controls through market competition etc.

There is a huge potential for a business working in the food industry to grow exponentially in a short span of time. The demand for good quality food products in Pakistan is very high as long as you are consistent in your product and service deliveries.

ICMAP: Which management accounting techniques viz. (1) Variable (Direct) Costing (2) Full Absorption Costing (3) Activity-based Costing is/ are mostly applicable in the food industry?

AB: In the food industry, all three costing methods are used depending on the volumes you are catering to. Once your overheads are fully absorbed up to a certain volume, you can cater for the additional volume with variable costing activity, with profit margins to remain competitive and improve the profitability.

ICMAP: How do you comment on profitability in the food businesses?

AB: There is a huge potential for a business working in the food industry to grow exponentially in a short span of time. The demand for good quality food products in Pakistan is very high as long as you are consistent in your product and service deliveries. With most of the younger generation below the age of 35, current trends also focus on health consciousness. Therefore to improve your profitability, you need to focus on customer's desire rather than your own thinking.

ICMAP: Do you favour need for effective regulations to ensure food quality and pricing?

AB: The government has developed Standard Operating Procedures for the food industry in Pakistan. These SOP's are required to cover the standards for kitchen Hygiene and Safety. It would also be important for the government to impart training to the non-regulated sector for hygiene and quality assurances for production, as well as service standards.

The interview ended with a vote of thanks to Mr. Aziz Boolani, FCMA, Chief Executive Officer, Serena Hotels, who spared his valuable time and gave his candid views exclusively for this journal. – Editor