

ACCL INTERNATIONAL

ROADS LESS TRAVELLED



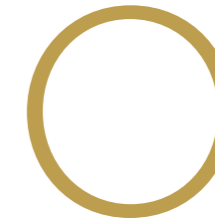


ROADS LESS TRAVELLED

It is risky and sometimes scary to get involved in post-conflict economies and countries like Mongolia that are modernizing apace: the rewards make it worthwhile – and these are by no means just financial rewards

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Camp Lonestar, a 500 man facility located in the "Tora Bora" region of Eastern Afghanistan



In March 1 this year ACCL International's President, Haji Habibullah Pirzada, opened the company's newly built headquarters in Kabul. ACCL

is an Afghanistan-based company that makes use of its unique approach to partnership in a variety of post-conflict or underdeveloped regions worldwide to create wealth. It is a sign of the success of this unusual company that it had grown out of the premises it occupied since it was established in 2003. Commercial success in Afghanistan is counter-intuitive to say the least, and it's no place to take a risk avoidance strategy. But the opportunities for people of vision are huge.

Pirzada was accompanied at the opening by his co-founder Sargon Heinrich, a cosmopolitan and multilingual former Bechtel executive whose experience included managing the provision of logistical support to the international initiative to put out the oil well fires Saddam Hussein left behind when he was chased out of Kuwait at the end of the first Gulf war. That experience must have given him a taste for unstable, challenging post-conflict, what he calls austere environments because he headed over to Afghanistan where he met Pirzada, who led a construction and dry-walling company in Kabul. Together they set about the task of building training facilities for the future development of Afghanistan, some of them based on former US military establishments.

The pair started with small refurbishment projects, gradually taking on larger assignments till today ACCL is one of the largest employers in Afghanistan, with 3,000



ACCL provides full life support services including catering

3,000

People employed in Afghanistan
by ACCL International

staff. And this growth has been organic – these are local staff, explains Paul Stukel, a co-director of ACCL International. “That has been a key part of our philosophy in Afghanistan and elsewhere, summed up in our tagline Afghans Building Afghanistan. A lot of the large players bring in their own people, do their thing and then leave. There is no legacy, no local development.”

That is a sound business model and it works in the short term. But sustainable business calls for a different approach. “If you are going to do business in Afghanistan, Mongolia, Kenya, UAE you really ought to help the local economy so that when and if you leave something of value remains.” It is this approach that worked so well in Afghanistan, allowing ACCL to be much more effective than arms-length companies. “We know the locals – because we are the locals!” says Stukel.

This is the model ACCL International has exported to Mongolia among other places. Just over a year ago ACCL moved into another office, in one of Dubai’s outstanding buildings, the Reef Tower. Dubai, the company’s strategic hub since 2005, is something of a contrast to the operational locations, but it is ideal for the company,



ACCL International construction staff

says Stukel. “Dubai is the Hong Kong of the Middle East! It’s politically stable, tolerant and very business-friendly. Given our global expansion plans, we thought it was ideally suited as our international headquarters from which to support all our international operations from a procurement, logistical and financial perspective.” Apart from Kabul and Dubai, ACCL now has offices in Nairobi Kenya, Entebbe Uganda and Chicago USA – and crucially in Ulaan Baatar Mongolia.

Mongolia is every bit as challenging as

Afghanistan. The remoteness of the mine sites, which are a primary market for ACCL, is only matched by the extremes of the weather. But that is an attraction rather than a deterrent for a company that has proven itself in Afghanistan, a country that is a war zone to all intents and purposes. “You are dealing with IEDs, local insurgency, and having to be careful who you hire because they might pose a security risk.”

Mongolia is more secure politically but it has some parallels in other areas. In

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Afghanistan ACCL learned to manage people with vastly differing levels of education with basic literacy a problem in some cases. “To produce first world quality in a very difficult environment is something we have shown we can do. That impresses the mining industry because they tend to work in places that are remote and not the kind of place you take the family on vacation!”

Once again, ACCL Mongolia is a local company incorporated in Ulaan Bataar. “We are a Mongolian company that plans to stay there, using as much Mongolian labour and resources as humanly possible. Again we work very closely with the officials there, establishing our bona fides on the basis that we are there for the long term. This is not a project to us, it is a commitment to Mongolia!”

Mongolia is a treasure trove of resources, he continues, wide open to extraction projects of every kind. A single mine, Rio Tinto’s Oyu Tolgoi project, is expected to earn a third of the country’s GDP. But the activity is all exploration so far. Mining has yet to begin on the numerous sites that are under development in the Gobi Desert but when it does the activity will be frenetic. Building a mining camp, and supplying it, is very similar to building a training establishment or an academy, and there is certain to be strong demand for



Company President, Habibullah Pirzada reviews the construction plans at Bagram, just outside of Kabul

ACCL’s services from this sector – it is currently developing independent camp operations in support of a number of south Gobi mines.

Typically, this might include 300-500 man accommodation blocks, shopping and dining facilities; vehicle and heavy equipment repair facilities as well as entertainment and healthcare options. Meanwhile there is no dearth of projects to keep the local team busy

under its local operations manager Richard Tisdale. ACCL has built and is operating a coal storage facility in the Zamyn Uud free zone on the China/Mongolia border in partnership with Global Mongolian Holdings. Additionally it is in the process of developing a low cost housing feasibility study for the Mongolian government and mining company local resettlement and community development initiatives.

Over the years ACCL has developed considerable expertise in the application of Steel Arch Formed Structures (K-Span) to building projects. One of the more cost effective construction methods available, this has proved a low cost way of providing durable commercial buildings in difficult

terrain, and has been approved by the United States military. The system’s primary application is for warehousing and multi-use structures required to comply with a range of national and local specifications, and the characteristic round arched roofs of these buildings can be seen at ACCL projects throughout Afghanistan. The Mongolia subsidiary is now building ten K-Span warehouses for an agribusiness conglomerate in north-eastern Mongolia.

As the Mongolia business grows the country can expect to benefit from some imaginative interventions on the CSR front, though as yet nobody knows what they will be. In Afghanistan the company built orphanages, though its highest-profile project was its

“WE ARE A MONGOLIAN COMPANY THAT PLANS TO STAY THERE, USING AS MUCH MONGOLIAN LABOUR AND RESOURCES AS HUMANLY POSSIBLE”

support of Skateistan, the world's first co-ed skateboarding school which takes Afghan boys and girls of all ethnicities, genders, and socioeconomic backgrounds, teaching them not only skateboarding skills and skateboarding instruction, but also healthy habits, civic responsibility, information technology, the arts, and languages. ACCL built at its own expense the largest indoor skateboarding facility in Asia for the internationally known project. "When boys and girls spend their one day a week at Skateistan it is sometimes the only square meal they get."

Another very imaginative project initiated in Afghanistan by ACCL founder Sargon Heinrich is a clothing design business that turns traditional Afghan materials and dress styles into high fashion, and sells it in New York, Paris or London, creating much needed local employment for women in the process. Thinking this way, Paul Stukel suggests, embeds the business in the minds and hearts of the people and differentiates it from the fly-in-fly-out, high security operations that typify service contracts in dangerous or demanding territory. The company has never had a confrontational situation with any of its employees, he says, largely because it has always consulted the traditional leaders when setting up a project. In a highly diverse tribal country like Afghanistan where not everyone gets along, this is the prudent approach. **BE**

ACCL helped support Skateistan, a co-ed skateboarding school in Afghanistan

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