

Birmingham Business

Pathway to Success

An exclusive interview with
social entrepreneur Safaraz Ali





Pathway to success

Not only is he the chair of a major training group, but entrepreneur Safaraz Ali is also one of the biggest operators in the region's social care sector. However, as JON GRIFFIN discovers, his rise to prominence in the West Midlands business world has been anything but easy.

By any standards, Safaraz Ali's career CV makes for impressive reading. He is CEO of one £16 million turnover company, chair of another £5 million concern, an author, an awards host judge – and even helps run a football academy for inner-city youngsters.

His Tyseley-based Nationwide Care Services group has mushroomed into the second biggest care provider in Birmingham, delivering 25,000 hours of care a week to thousands of patients.

Meanwhile, as managing director-CEO of the Pathway Group, he has been one of the driving forces behind the rise of a skills and training organisation providing career opportunities for new recruits covering a variety of sectors – from HS2 to the world of beauty.

At 48, he would appear to be at the height of his powers. But it has been a long, hard road to success – with plenty of obstacles through the decades – for the Birmingham-born son of a Kashmiri immigrant father, Khardit Ali, who first came to England in the mid-50s to make a better life for himself away from his farming roots in rural Pakistan.

In due course, Mr Ali senior made enough money from decades of factory work at IMI in Witton to provide a home and a stable upbringing for his family in Birmingham. His eldest son has

clearly inherited the Ali work ethic – as his achievements testify. But there's been blood, sweat and tears along the way.

"My father's ambition was to buy some land in Pakistan, which he eventually did. For him it was all about work, a means to an end. He bought his own house in Alum Rock at the end of the 1960s, and went back to Pakistan to get married and bring over my mum," says Ali.

But the 1970s was often an unforgiving environment for thousands of Asian immigrants determined to forge a better life in the West. Racism and discrimination were prevalent across large swathes of industrial Britain and Ali – born in Winson Green in 1972 – found himself in a sometimes hostile, bewildering world.

"I was very late in terms of getting into the school system. I started school in 1978. . . I was crying, I did not know the language, I had no English at all, it was a bit shocking. I was terrified, very timid, really struggled and didn't enjoy it.

"I was scared all the time. I got into secondary school and there was racism. There were constant struggles and fights, issues with riots and skinheads. I got beaten up and got into several fights. It was a constant battle for survival and I started playing truant.

"I was lost at 16. Life was crap, I

was a failure, with not one GCSE. My father worked with me, took me on the college milk round, and took me out of the wilderness. My education had suffered and I came out of school without passing any GCSEs."

Study ultimately proved the salvation for the teenage Ali, with a BTEC First Diploma in business and finance at Bournville College and a subsequent BA Hons in banking and finance at the University of Central England.

"My potential really came out. The focus was there and I felt I was on the right track. I really enjoyed learning, I enjoyed life."

Ali was at last on an upward curve, supplementing his studies with a variety of part-time jobs at the likes of Halfords and security firms, learning about life and business at every turn.

By the mid-1990s he was putting his studies to practical use by working full time at the family shoe shop in Small Heath, launched after Mr Ali senior had taken early retirement from IMI, with a lucrative pay-off and reduced pension.

"I spent time on back-office functions, did the accounts, the banking, taught my dad how to work out profit margins. Turnover started at £48,000 a year and it grew to upwards of £150,000."

His studies complete, Ali was on the road which would eventually

lead him to latter-day executive success at the helm of multi-million-pound turnover businesses, albeit with plenty of further twists and turns to follow.

A key milestone in the story of this self-effacing entrepreneur was his appointment to an assistant accountant's role at Sandwell Council, working in the budget support unit.

"It was my introduction to understanding the homecare market. We had budget cuts year on year, we had to do more with less – social work is a high-pressure environment. We were trialling outsourcing and I was involved with tendering, procurement and managing all the outsourcing. I really enjoyed it, although it was a tough time."

During a subsequent spell in the pensions review unit at Britannic Assurance, Ali – always keen to improve his experience and skills – found himself with sufficient time on his hands to take on voluntary work with Matthew Boulton College, bringing adult education into temples, mosques and similar institutions.

"I made some headway with the Albanian, Eritrean and Bosnian communities. We were teaching language programmes to asylum seekers and refugees – to Somalians, Iraqis, Afghans and others."

Ali's burgeoning business acumen, allied to an eye for gaps in the market, was evident as he set up a franchise operation with Bournville College in the shape of the Community Education and Training Network. It would prove to be the predecessor to today's £5 million

turnover Pathway Group.

"Adult education became my full-time career, my job title was 'principal'. We were training 4,000 people a year and our turnover was £600,000, which was huge. We expanded to Nottingham, Leicester, Derby and Coventry."

But a government U-turn on adult education funding dealt a savage blow to Ali's franchise enterprise. "There were a load of cuts being made and the whole situation changed – the colleges were no longer in a position to franchise out. We mothballed the enterprise – we just didn't see any future in it.

"It was devastating for us because we had given up our jobs. I was 32 with two young daughters. I had nothing at the time. I had to reinvent myself – what do I do now?"

After a spell as a mortgage and financial adviser, the answer was to set up Nationwide Care Services, another key career landmark for Ali. "In 2005, I looked at domiciliary care again. Seventy per cent of it had been outsourced, I knew the market, it had expanded and grown. We are a society with more and more elderly people – more people were required.

"We went for our first contract and were successful in Coventry, recruiting carers for individuals in their own homes, working with local authorities. We had a team of five or six, but we were very low in the pecking order in terms of the supply chain. Can we get a track history, can we get a reference?"

As Nationwide Care Services gradually went from strength to strength, Ali found synergies between the home care sector and

his own Pathway Group initiative.

"We were reinventing the training business. I thought to myself 'I understand the training market, we are an employer in our own right, we can deliver the training to ourselves'.

"The government was really pushing apprenticeships, introducing it to many more sectors. It was about working with employers delivering workplace qualifications."

Today Ali, whose contribution to the Asian community in Birmingham has often passed under the radar, divides much of his time between his CEO role at the Pathway Group and the chairmanship of Nationwide Care Services, along with a number of other extra-curricular activities. It's all a far cry from the "timid, scared" youngster who grew up in the harsh racial climate of 1970s Britain when National Front riots were commonplace.

"Nationwide Care Services has continued to grow. We employ 850 care workers, pharmacists, the technology arm and so on. This year's turnover will be just over £20 million. In the last three years we have doubled in size, we were £10 million in 2019.

"We are the second biggest care provider in Birmingham, the biggest in Solihull. We provide services throughout the Midlands including Nottingham, Derbyshire, Leicestershire and Worcestershire. We are an independent mid-tier provider. We do not want to be gobbled up – we are quite keen to take over other independent providers."

Meanwhile, the Pathway Group – which recently opened an office in the heart of Birmingham – is also on an upward trajectory after a difficult 2018 when spiralling costs forced substantial job cuts.

"We have got to £4 million, £5 million turnover and we will be hitting £10 million this year. We have contracts with the GLA, the Greater Manchester Combined Authority, contracts in Stoke, Manchester, Leeds, Birmingham and elsewhere.

"We are working on HS2 contracts on rail engineering qualifications, we are delivering digital qualifications, we work in the beauty sector. We work with the long-term unemployed getting them into work."

When he is not masterminding the fortunes of the Pathway Group and Nationwide Care Services, Ali also helps run JABS B8 FC, a football academy based in Alum Rock. He is also involved with a number of Asian and business award schemes in Birmingham and has written three business books, with a fourth on the way.

"The last 10 years have been a bit of a rollercoaster ride," he says, with characteristic understatement. "But I do not want to rest on my laurels. You have to be on the ball."



Strong foundations for entrepreneurs

The small business community will meet the challenges and opportunities created by the coronavirus pandemic and the economic fallout from Brexit, a new report says.

The latest Global Entrepreneurship Team UK report found that although around half of budding entrepreneurs said that the Government had so far dealt effectively with the economic consequences of the pandemic, there must be improved programmes, financial support and advice to start-ups and scale-ups through different stages of the business life cycle.

GEM is the world's largest survey of entrepreneurship and is the only global research source that collects data on entrepreneurship directly from individual entrepreneurs. It measured various rates of entrepreneurship in 43 countries in 2020.

GEM's UK team – led by Professor Mark Hart of Aston University – compared attitudes, activity and aspirations in the UK, Germany and the United States as well as the four home nations of the UK.

Access to finance remained one of the major obstacles to entrepreneurial activity in the UK. Enhanced tax benefits for entrepreneurs – such as tax breaks for start-ups and businesses in difficulty to reduce early exits and better tax incentives for recruitment – as well as investment in managerial and digital practices and skills were also highlighted.

The report also called for more entrepreneurial education, especially at school age, improved technical education and improved links

between the educational system and industry to boost growth post-Covid and post-Brexit. It found that the UK still lags behind many comparable economies in this respect.

Mark Hart, professor of small business and entrepreneurship at Aston Business School and deputy director of the UK's Enterprise Research Centre, said: "The GEM survey undertaken in the last few months of 2020 showed a sharp fall in the number of individuals in the early stages of setting up a new business compared to the pre-pandemic high in 2019.

"This is hardly surprising, but the analysis has also shown that the entrepreneurial foundations of the economy and society are still strong. These will be crucial for the recovery after the pandemic and in dealing with the ongoing economic fallout from Brexit.

"Those ethnic-minority communities that have borne the brunt of the pandemic in terms of infection, hospitalisation and sadly deaths, demonstrated their resilience by maintaining their previous levels of early-stage entrepreneurial activity which were significantly higher than for the non-ethnic minority population.

"Clearly, the pandemic has had no damaging impact on the level of entrepreneurial activity by immigrants and ethnic minorities, although it has depressed it for life-long residents and the non-ethnic population.

"There is undoubtedly an appetite for people to start their own businesses in the next three years and many report new opportunities because of the pandemic, but they are delaying the actual decision to get the business operational."



Professor Mark Hart with the Chancellor Rishi Sunak who was meeting staff and students during a visit to Aston University Business School

ASTON PROJECT SHORTLISTED FOR AWARD

The Low Carbon SME project at Aston University has been announced as a finalist in the Green Gown Awards 2021.

The six-year project was set up in 2017 to help 165 businesses reduce their carbon footprint substantially – up to seven tonnes per company – and make the transition to a net zero industrial future.

The programme attracted a £1.7 million grant from the European Regional Development Fund (ERDF), bringing together a team

of more than 20 members from Aston Business School including academics and industry practitioners.

Professor Prasanta Dey, project director of Low Carbon SMEs, said: "I am extremely proud the project has been announced as a finalist in the Benefiting Society category at the Green Gown Awards 2021.

"The low carbon SMEs project had been conceptualised from a few British Council-funded projects in Thailand, Bangladesh and India during the period 2010 to 2015.

"The project has radically improved overall SME sustainability performance through the adoption of low carbon initiatives leading to business growth and improved employee productivity."

The awards recognise sustainability initiatives undertaken by universities and colleges in the UK and Ireland.

Ninety finalists from 51 institutions will compete across 15 categories, with the winners announced at a virtual ceremony in November.