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Mai Medhat, co-founder and CEO, Eventtus with President Barack Obama, Facebook CEO Mark Zuckerberg and other entrepreneurs at GES 2016



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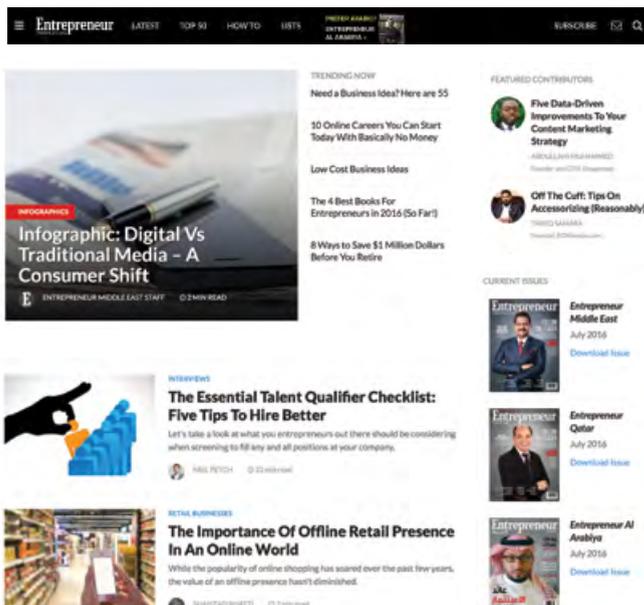


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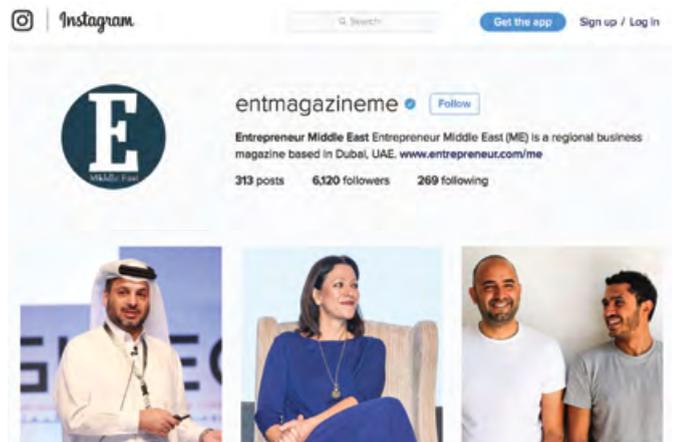
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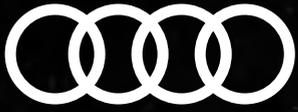
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## A tale of two pitches

Entrepreneurship leaves no room for laziness

A couple of months ago, I was emailed by the representatives of two different startups, both of whom were pitching their respective enterprises to get coverage in *Entrepreneur Middle East*. Now, we get a lot of such pitches, and as a team, we do try to go through all of them and make informed decisions on which of these should actually make it to our print pages or website. In this particular case, I was reviewing both pitches, and while they were interesting in their own right, I didn't find them impressive enough or mature enough as a startup to warrant a presence in the magazine then. Subsequently, I declined both of these pitches, explaining that the current states of their companies didn't make them a fit for us at that point in time, and I proceeded to (almost) forget about them.

But then, last week, these two startups reached out to me again, once again hoping to be featured in the publication. This is where it gets interesting: one of these startups sent me a pitch that was almost an exact replica of their email from months ago, while the other chose to give me new details relating to the current state of their enterprise (including stats and figures in terms of their user

numbers, funding status, and more). I'll admit here that from a personal point of view, the latter enterprise, much like the first time it had contacted me, didn't really excite me this time either- but the very fact that this company had bolstered its pitch by responding to my doubts about it the last time around made me sit up and take a second look at it. The founders had noted the issues I had with them months ago, and followed up with an effective reply to them.

And as for the first startup: no prizes for guessing what happened to that pitch. That company got a "no" from me again, and the abject laziness it was showcasing by recycling an old email made the enterprise seem all the more lackluster. In the meantime, I'm reconsidering the second company, all because its representatives took the time to make a renewed case for their startup and how it had grown over the past few months.

So, what are the key takeaways here? Well, firstly, when we, as editors, say no to your startup's pitch, don't consider it as the be-all and end-all of your interaction with us. We're definitely open to being pitched again, and contrary to popular thought, we are open to reconsidering our stances on your enterprises. But when you do reach out to us for the



second time, don't be lazy- give us fleshed-out information that would make us *want* to take notice of your company. Respond to our criticisms, showcase the wins that you have achieved, prove to use that your business is sustainable and growing. If you send us the same old boring pitch to us again, well then, in the words of Kimberly "Sweet Brown" Wilkins in her 2012 viral video: "Ain't nobody got time for that!"

A handwritten signature in black ink, appearing to read 'Aby' with a large, stylized flourish extending from the end.

Aby Sam Thomas  
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Installation of wall finishings, ceiling & light fittings inside meeting room at Knowledge and Human Development Authority (KHDA)

## READ

### A THEME TO INSPIRE

'Read' is the first word of the Quran. The Knowledge and Human Development Authority (KHDA) adopted this word as a central theme when designing their Dubai offices.

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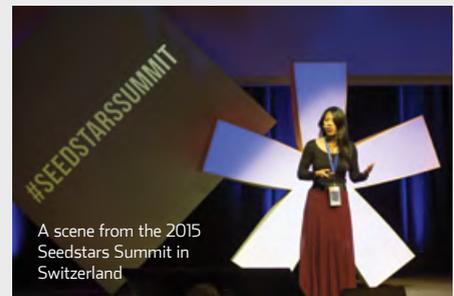
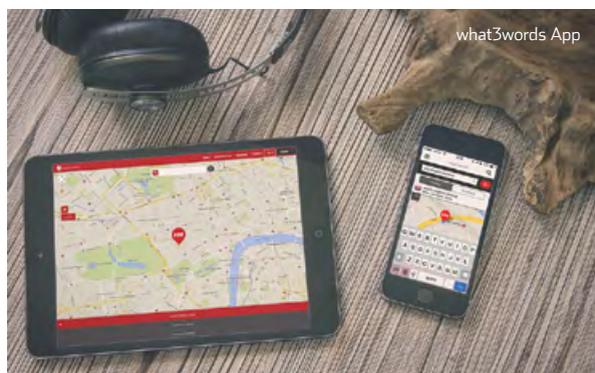
ARAMEX INVESTS US\$2 MILLION IN WHAT3WORDS

“I spent my weekend at *guess.mineral.soils*.” Don’t be taken aback if a friend in Dubai says that to you: those three words refer to the unique codes assigned to Dubai’s popular landmark Palm Jumeirah by UK-based what3words’ universal addressing system. what3words assigns three-word addresses to locations by segregating the entire world into global grids of 57 trillion 3m x 3m squares. By doing so, the startup wants to ensure that “everyone and everywhere now has an address,” and the use of words instead of long complex coordinates makes it simpler to find and share locations accurately. Noting how the location simplifying solution has the potential to make life easier for everyone -from navigators to logistics companies to the government- logistics giant Aramex recently announced its investment of US\$2.94



million in what3words. This investment forms a part of an \$8.5 million Series B funding in what3words, involving previous investors Intel Capital and British funds Force Over Mass and Mustard Seed. According to a statement by Aramex, the company expects the address solution to complement Aramex’s e-commerce delivery activities, and assist it in its mission to improve last-mile delivery solutions across the region. “By integrating three-word addresses into our e-commerce operations across the Middle East, Africa and Asia, we are now

better able to reach more consumers worldwide, even those in difficult to access locations,” Hussein Hachem, CEO of Aramex, says in the statement. Aramex has already invested in a number of upstarts to strengthen its last-mile delivery including Grab.in and Logisure in India, Shippify in South America, and CashBasha in Jordan and Saudi Arabia. With a lack of standard addressing systems in the Middle East region, efficient logistics systems continue to be a key barrier in e-commerce ventures scaling up, with e-commerce businesses bearing huge costs in failed or delayed deliveries. what3words’ tool is in the form of a plug-in for businesses and individuals with their algorithm turning geographic coordinates into three-word addresses using a geocoder. Logistics software provider Blackbay, address verification platform Allies, and UK-based Direct Today Couriers are some entities that have already integrated what3words to their operations. Mongolia’s state-owned postal delivery service Mongol Post also adopted what3words as a national addressing standard in May 2016. With its latest raise, what3words plans to put the funds to use for further global expansion, to launch a new voice recognition product, develop its unique address system in several Asian languages, and support the growth of its team. The solution is currently available in 10 languages including English, Russian, French, Spanish, Turkish and others (Arabic is also on the cards), and is used in more than 170 countries.



A scene from the 2015 Seedstars Summit in Switzerland

## BAHRAIN TO PLAY HOST TO SEEDSTARS GCC 2016

Seedstars World, an emerging-markets focused entrepreneurship forum, is back this year to scout for promising GCC startups, and in a first, the action this time is centered around Bahrain. Seedstars GCC 2016, to be held on September 24, 2016 in Manama, will see startups from across the GCC pitted against each other in a pitch competition. A jury panel comprising of Pierre-Alain Masson, co-founder, Seedstars, Mohamed Altawash, founder, MBAN, and Trey Goede, Origination, Investment and Portfolio Management, Aramco Entrepreneurship Ventures, will assess startup pitches to award promising seed stage startups. Besides pitching sessions, the event will also host fireside chats, keynotes and panel discussions. Two winning startups will represent the region in the global Seedstars Summit taking place in Switzerland in March 2017, to compete for investments worth over US\$1 million.

The global Seedstars Summit brings together key entrepreneurs, investors, corporates and institutions from the local ecosystem, offering opportunities to build business relationships with investors and other partners and accelerate growth. Workshops, panel discussions and keynote addresses are all part of the summit, in addition to the competition. At each local edition of Seedstars, 10-12 startups are pre-selected and given a platform to showcase their venture. Earlier, in May 2016, the UAE round of Seedstars, held in partnership with in5, saw nine startups present their ideas to a jury. Asafeer Education Technologies, a company that provides schools with an online Arabic digital library, won the first place and won a chance to participate at the global summit. Swifffix, an on-demand home and car service app, came in second place, and OTTAA Project, a visual communication platform for the speech impaired, came third.



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Christopher Buxton, Managing Director,  
Lexus UAE



# BUILDING BRAND ALLEGIANCE

CHRISTOPHER  
BUXTON

LEXUS UAE'S MANAGING DIRECTOR MAKES STRATEGIC  
MARKET GROWTH A MATTER OF FACT

By Aby Sam Thomas

**T**here is an email that is sent out every day in the Lexus UAE offices, which contains what is essentially a summary of all the calls made to its customer service center on that date, touching upon the issues and problems that caused each call to happen in the first place. Of course, there is a dedicated team at Lexus that is responsible for looking through this list, and ensuring that each concern there is responded to effectively- but I admit to have been a little taken aback when Lexus UAE Managing Director Christopher Buxton told me that he made it a point to carefully peruse this list every day as well. It's a level of involvement that I would have expected

from the founder of a startup, sure, but given that this statement came from an executive as high up on the ranks as Buxton, at a company the size and stature of Lexus- well, it came as a bit of a surprise. Buxton noticed my astonishment though, and he quickly downplayed the significance of what

he did ("It sounds fantastic, like I'm an angel, but I'm not!"), adding that Lexus didn't receive a lot of complaints *anyway*- but this particular activity and his enthusiasm for it ("I love doing it!") is indicative of how he goes about his role at his company: for Buxton, ensuring his customers have great experiences, throughout their transaction cycles, is key to furthering his business' growth.

But more about customer service later- first, Buxton. Having previously worked with automobile brands like Bentley, BMW, Ford, and Mercedes Benz, Buxton -who says he's "been in the car industry all his life"- had been with Lexus UAE for two years before he became its Managing Director in 2015. As a signature luxury brand under the Toyota marquee, Lexus has had a pretty good run in the UAE, where it is exclusively distributed by Al-Futtaim Motors, with Buxton saying that Lexus owns the second place in the country's luxury market. (For those of you in the UAE, this shouldn't come as a surprise, considering the sheer number of Lexus LX cars that one sees on the road here!) "So far this year, we've been growing market share," says Buxton. "The market's down -the whole market is down- the luxury market is down about 8%. We're only down 2%. And last month [June], we had a record month- we sold more cars than we've ever sold. So we're okay." In terms of customers, Buxton says that Lexus has been lucky in being able to secure a strong Emirati clientele. "I think if I break down my customer base at the moment, we have a very loyal local following," he says. "Probably 50-60% of my buyers are Emiratis." >>>



Lexus RX 450h - Hybrid



Lexus LC 500h - Hybrid

While Lexus does also enjoy a fairly healthy level of interest from the expat population here, Buxton says that it is something that the company is keen on improving. After all, there are potential customers out there who simply aren't familiar with the Lexus name- the brand is relatively young, having been launched only in 1989, whereas its major competitors have been around for more than a hundred years.

With that being the case, getting the Lexus brand more out there in the mainstream consciousness seems to be the reasoning behind its recent move into the lifestyle sector with its Intersect By Lexus concept. Described as "a place where creative minds meet and share ideas," Intersect By Lexus was first launched in Tokyo in 2013, followed by an installment in Dubai in 2015, and a third location has now been announced for New York City in 2017. If one goes by its location in Dubai at Dubai International Financial Center's Gate Village, then Intersect By Lexus -which features a dining area, a fairly well-stocked library, and a "garage" downstairs that is more of a lounge-cum-gallery- is, in essence, a brand experience space, although it does not (to its credit, really) hit you in the face with a load of Lexus-themed marketing collateral. As Buxton points out, the branding in the space is more subliminal- there are hints thrown about in the Masamichi Katayama-designed interiors that nod to the Lexus brand dynamic. For instance, its bamboo façade, featuring spindle grille

motifs, is a nod to the spindle grille that is today a key characteristic of cars made under the Lexus banner- but hey, if visitors to Intersect By Lexus don't see that reference, Buxton is okay with that. "Ideally, what we are hoping for, if I'm really honest, is someone coming in who hasn't really touched Lexus before, sit down [here], and enjoy it. We've got very high levels of service and food- it's not fine, fine dining; it's not stuffy, it's casual. We expect people to treat this as their own home... It's a very calm and relaxed place. So it's a way they can come in, and slowly but surely, they may say, what's the Lexus connection, and then, yeah, we are happy to talk to them about it. But it is specifically somewhere to actually enjoy the Lexus brand and lifestyle- but not the car."

And Buxton is right- while there are car elements thrown all about the interiors at Intersect By Lexus (my favorite of these is in the garage, where a wall has been entirely covered by hundreds of toy cars, all of which are models of Lexus cars from years past), none of this *really* screams Lexus at you- and according to Buxton, this aspect serves this particular space better. "I'm perfectly happy for someone to come in, enjoy a nice meal, good service, walk away, and not even have *seen* Lexus," he says. "Because if we have given them good service and good food, they'll come back. And if then, on the fourth or fifth trip, they think, oh, this is Lexus- the one thing they will get from that is Lexus gives good service. So if they do it here, why shouldn't they be able to do it

in a car scenario?" The aim, therefore, with Intersect By Lexus seems to be to try and instill the germ of a feeling about Lexus in its patrons (most of whom, Buxton notes, currently don't drive a Lexus), which will, hopefully, get them to include the brand in their mind when they do get around to buying a vehicle in the future. The company is thus playing the long game here, which also affords Buxton and his team at Intersect By Lexus the time to experiment, try out new things, and build it up as they go along. The approach is thus rather entrepreneurial in its nature, with Buxton saying he and his team are continuing to debate and figure out how much they want to "plug" the Lexus brand at Intersect By Lexus. "We're kind of learning as we go along, as to how much we can push it," he explains. "Yes, the ultimate objective of Al-Futtaim [and] Lexus is to sell cars, to look after people. With Intersect By Lexus, it's not the same objective. Intersect By Lexus is about opening up the brand to people, at a very subliminal level, [with] no commitment at all. Who knows where that will go to in the future- but I think it is something we are learning from."

It's clear from Buxton's strategy for Intersect By Lexus that this executive places a lot of importance on customer service in bringing in (and retaining) clientele, and this is a principle he extends to his business of selling cars as well- as evidenced by his aforementioned ritual of going through customer complaints every day. "The Lexus brand is built on customer service," he reiterates. "As I said, we've never been racing in terms of global spheres. So, we have to really give fantastic customer service on the sales and after-sales back-ground." This is, in effect, the *modus operandi* with which Buxton hopes to lure in new customers to Lexus. "What I want to do is not just sell the car -and I know this sounds a bit cliché- I actually want to give very good customer service. I want to be able to sell cars on the back of customers thinking, 'That [the service] was fantastic.' If I'm really honest, customer service levels here, compared to elsewhere in the world, are not where they should be, whether it be automotive, banking, whatever it is. And our constant push is to lift that [level of customer service]. I want people talking about Lexus in dinner parties, in majlis-

es, about the service they got. The cars, I am absolutely committed to; they are probably some of the best you can buy. But I want the service to be something that would make them go, 'You know what- I had a problem, and it just went away.'" According to Buxton, training staff is key to delivering such levels of customer service, and the importance of actually listening to clients cannot be understated. Buxton says he doesn't want to simply satisfy customers; he wants to "delight" them.

Another aspect of catering to customers is keeping an eye on the market, both local and global, and how its changing dynamics could affect clients. When it comes to Lexus in the UAE, this involves the country embracing the global trend toward more eco-friendly vehicles on the road, and Buxton feels that this is something that will happen sooner than later. In this matter though, Lexus is ahead of the curve in this department, with the UAE already host to its range of luxury hybrid vehicles like the LSh, RXh, GSh and CT, and they are already gaining interest in terms of customers. In fact, in May, Al-Futtaim

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issued a statement noting that Lexus hybrid sales had grown by 25% in the first quarter of this year, as compared to the same period last year. Buxton notes that this interest in hybrid vehicles could see a further jump if the government here (like other countries of the world) makes a more concerted effort towards encouraging their use- and again, the likelihood of that happening seems very close, given the country's push towards sustainability, clean air and other such green initiatives. With that being the case, Buxton says that he and his team in the UAE have their work cut out for them. "What you need with a hybrid is you need a buyer that is cognizant of what that car is," he

explains. "Our job -if I'm really honest- we need to educate. Usually, when petrol is expensive, when fuel's expensive, you've got something on your side to do it [encourage use of hybrids]- here it's not. But in terms of maintenance, and how green the car is, we've got some clear advantages. So, we are hoping that the government moves forward with legislation- and that's what drives hybrid sales in countries; usually, the government brings in a financial aspect: in the UK, for instance, you didn't have London congestion charge if you own a hybrid, and so on, etc. So if that comes in here, we are hoping that with the investment that our parent company have made in hybrid technology, we >>>



Mark Ronson at the Dubai launch of Intersect By Lexus in 2015



Intersect By Lexus  
in Dubai

can provide a range of hybrids to the buying public. So I think that's the next step going forward. In a way, it's quite sad because you'll probably see less big SUVs on the road. But in the long term, for the climate, for the planet, everything we should be looking at, that other countries are already doing, we should catch up."

Of course, when it comes to educating customers about hybrids, besides the advertising and marketing campaigns that can help in this regard, the importance of a well-trained staff that knows how to interact with and respond to queries from customers is critical. Again, Buxton circles it all back to emphasize the importance of ensuring a great and fulfilling experience for the customer- this is, in his opinion, the key principle that will help any enterprise succeed. "Customer service and quality, regardless of whether you are selling

cars, food, jackets, anything, [is what is important]," Buxton says. "Understanding your customer, being very flexible with what your customer wants, providing the highest level of quality you can- it is [critical in] any business... In any business, just listen to your customers as much as possible. Gain as much feedback as you can." At the same time, Buxton urges businesses, startups and conglomerates alike, to never forget what their respective brands stand for- this is what ensures success that can be sustained, especially when it is an entrepreneurial venture or upstart. "Be absolutely true to your brand values, and not to let anything get in your way... If they're right for the brand elsewhere, just stick to them all the time, even if it's not going well. Stick to your brand values, stick to your beliefs, all the way through. And it'll come good in the end. And that's it, really." ■

## DESIGN MATTERS

### INTERSECT BY LEXUS IN DUBAI

Launched in December 2015, with internationally renowned DJ and music producer Mark Ronson in attendance, Intersect By Lexus in Dubai has been described as "a unique luxury space where people can experience what is truly quintessential of Lexus, without getting behind a steering wheel." Japanese designer Masamichi Katayama, founder of interior design firm Wonderwalls, developed the Dubai concept, which is based off his design of the first Intersect By Lexus location in Tokyo. "This project is not just about creating a restaurant, but rather an environment," Katayama said. "As an incubation platform generating new innovative ideas and concepts, it has been designed to capture the feeling of a lounge, allowing people with shared values to come together and interact in a relaxed yet inspiring atmosphere."

[www.lexus.ae/lexus-world/intersect-by-lexus](http://www.lexus.ae/lexus-world/intersect-by-lexus)



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# PAYING IT FORWARD

TEL CO-FOUNDER AND CHAIRMAN

## ELIAS GHANEM

By Sindhu Hariharan

**A**sk Elias Ghanem to offer his insight on what it's really like to be an entrepreneur, beyond all the apparent glitz and glamour, and he doesn't mince words. Describing the process of starting a company to be akin to "having a baby," the entrepreneur explains how drastically life changes, and how there's no end in sight to the hustling. "Ask any mother how difficult but rewarding it is to have a child, and there you go," he says.

Ghanem started his career with leadership roles in payment giants like VISA and PayPal, and was a key force in launching PayPal in the MENA region, which he helped run for almost two years.

It was during his tenure at PayPal that several large merchants were brought on board, with the service also launching in Egypt during that period. But after realizing that the MENA economy needed a more "hands on, home-made" payment solution capable of handling specific local aspects, Ghanem left PayPal to found Telr (derived from the word teller), an emerging markets-focused online payment gateway. "That [the realization] was the moment of truth [for me] to leave PayPal and try to do something on my own," says Ghanem. In a short span of time, Telr was able to do a lot: raising funds across the MENA and Asia, acquisitions and corporate partnerships, as well as winning accolades in the region's ecosystem. Telr operates as a single window e-commerce solution- facilitating secure online pay-

ments through their gateway, enabling creation of e-commerce stores through their "Store Builder" solution, and also supporting cash flow of SMEs through a merchant advance system. Telr's platform also enables businesses to manage payments through the web, mobile and even social media accounts- small wonder then the company was awarded the title of "Best Payments Product" at *The Asian Banker's* second Annual MEA Awards in 2015.

But Ghanem's innate desire to constantly build new solutions prompted him to move on to a mentoring role at Telr (taking up the role of Chairman) in just over a year of founding the company. Ghanem says that the huge progress made by Telr in such a short time was his cue for the move. "It was a wake-up call telling me, 'You have done a lot in a single year, had to let a lot go, so get yourself back a life, and focus on what you like,'" he says.

And what Ghanem went on to do next is a clear reflection of what he's most passionate about. With a fierce focus on growing the region's entrepreneurial community, Ghanem put on his advisory cap, taking on the important task of mentoring various small businesses across the region. Desiring to "dedicate 2015 to coaching," Ghanem became Chairman of Zoomaal (a leading crowdfunding >>>

**"ENTREPRENEURS IN THIS SIDE OF THE WORLD TEND TO KEEP THEIR IDEA TO THEMSELVES, RATHER THAN LOOKING FOR PARTNERSHIPS, COLLABORATION, MERGERS, ETC."**



***“PLEASE DON’T  
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BUSINESS MODEL  
ON YOUR OWN [AS  
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BUT RATHER  
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YOURSELF WITH  
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HOW TO DO IT.”***

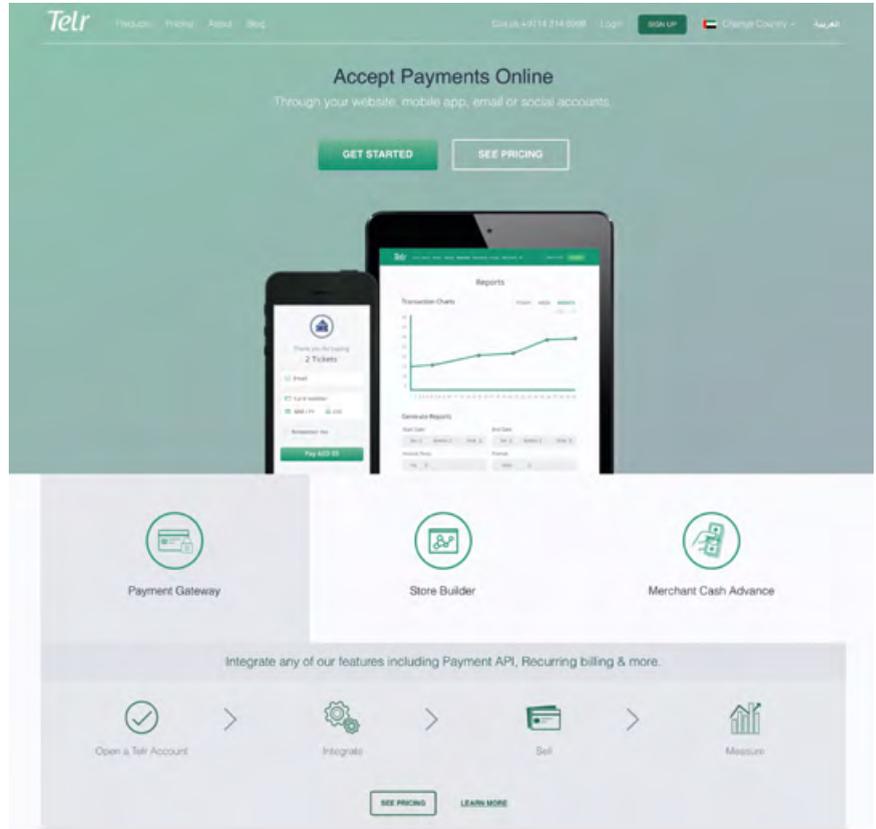
Elias Ghanem, co-founder, Telr and Resident Mentor,  
UK Lebanon Tech hub

platform in MENA), a board member in Bridg (a smartphone payment platform using Bluetooth), as well as in Paykii (a solution for cross-border bill payments). He also became a Resident Mentor at the UK Lebanon Tech hub, an accelerator representing a joint effort on part of both countries to foster innovation. And it doesn't end there—Ghanem is also an investor always on the lookout for ventures disrupting traditional payment systems.

With fintech being at the center of the funding and innovation action in the global entrepreneurship scene, the sector is making tangible progress in developed economies, but it's safe to say that the role played by technology in financial services industry of emerging markets leaves a lot to be desired. Ghanem seems to agree with this popular thought when he says that fintech is at its “infancy stage” in the MENA region. Discussing the current and future prospects of the region's

***“VCS IN THE REGION ARE EITHER EX-BANKERS OR WANNA-BE BANKERS, THEY ARE GREEDY, UNFAIR AND NOT RISK TAKERS (OF COURSE THERE ARE GREAT EXCEPTIONS TO THAT STATEMENT), THEY OVER NEGOTIATE TERMS, KILL ANY VALUATION, HIGHLY DILUTE THE ENTREPRENEURS, DELAY FOREVER CASH PAYMENTS, AND BARELY EDUCATE ENTREPRENEURS ABOUT TERM SHEET COMPONENTS.”***

fintech space, Ghanem opines that it still remains a habit and quite common in the region to go to a physical branch to carry out transactions, despite emergence of alternatives. “Digital signature is struggling to become mainstream, banking apps only offer very basic services, and very few banks are adopting the fintech wave,” he says. Talking about global banks setting up in-house accelerators to develop solutions, Ghanem praises Emirates NBD and its recent fintech challenge, which seems to be leading the change among MENA banks to institutionalize support for fintech entrepreneurs. He also lists various areas where MENA's fintech entrepreneurs could make a mark, including opportunities to set up a fully digital bank, online payment gateways,



and promoting “financial inclusion for the millions of unbanked,” among others. Analyzing the geographic reach of fintech among the region, Ghanem says that Dubai is clearly leading the way, and Egypt too presents great potential “thanks to its local critical mass.” He is, however, most excited about Iran, where “fintech is definitely making fast progress.” With so much going in favor of fintech startups in MENA, what then stands in the way of a fintech wave in MENA? There are two key hurdles, according to Ghanem. “The single largest challenge is customer KYC (Know Your Customer) that remains very antique in MENA, as there is no national ID number with a proper credit bureau,” he says. As explained by Ghanem, this creates a need for customers to go in person to the bank and provide several documents to be stamped, notarized or checked. The other challenge is a lack of regulatory framework or acceptance of digital signature, which remains a significant hurdle for fintech to gain steam in this region. With a ringside seat to the daily struggles and victories of the region's entrepreneurs, Ghanem is perhaps the best person to shed light on factors that

stand in the way of the region's startups achieving scale and making it big. “Cash, talents and co-working environment,” says Ghanem, responding to the question. Though VC money is growing, he says that it seems to barely reach entrepreneurs, especially “at seed stage before launch,” and sees it as a chicken-and-egg problem, where investors demand to see “traction,” and founders need cash to show any traction. “VCs in the region are either ex-bankers or wanna-be bankers, they are greedy, unfair and not risk takers (of course there are great exceptions to that statement), they over negotiate terms, kill any valuation, highly dilute the entrepreneurs, delay forever cash payments, and barely educate entrepreneurs about term sheet components,” laments Ghanem. Founders need to let go a lot of their freedom and must accept that increasingly deals are being shared, and co-investment is becoming common, he adds. However, he admits that not all parts of MENA suffer from the same drawbacks. Dubai-based investors, he says, are doing a better job in educating entrepreneurs and taking risks. Similarly, he believes talent is scarce in the region and is distributed in an “unbalanced

manner” and considers co-working spaces as essentials to foster creativity, where entrepreneurs from diverse backgrounds can work together. But Ghanem does not hold back from also pointing out mistakes he notices entrepreneurs making in formulating their business models. “Please don’t try to build a business model on your own [as entrepreneurs], but rather surround yourself with people who know how to do it,” Ghanem advises founders. He urges the region’s entrepreneurs to stop chasing “shiny objects” – a problem he finds common to emerging markets – and go after real solutions even if they require taking risks. Tendencies to go for a high valuation early on, building businesses alone leading to a “failure rate [which] is exponential,” and “offering the co-founder title to anyone,” are some of the red flags he observes in the business model of upstarts today.

Drawing from his own experience, the fintech evangelist is a firm believer that a stint in the corporate world guided his business management strategies. “I think Telr would not have been where it is without our [team’s] collective corporate background,” he admits, attributing Telr’s success to “business processes, credibility and the network” that the founders acquired during their days in the cor-



porate world. Ghanem is also candid in offering his thoughts on what the region’s entrepreneurs lack from an execution point of view: a partnership spirit. “Entrepreneurs in this side of the world tend to keep their idea to themselves, rather than looking for partnerships, collaboration, mergers etc.,” he says. And what is the one thing he would like to drill into the entrepreneurs he works with? He chooses to offer hustlers a reality check on entrepreneurship, warning them that they are getting into an “emotional roller coaster.” “You’ll be drained, as emotions goes every minute to the roof or down, depending on if you have an article in a magazine, or if you read your competition has done a better product... This is the glamorous life ahead of you,” he warns, matter-of-factly. ■

## ‘TREP TALK ME

ELIAS GHANEM

### STARTUP SHOUT-OUTS

“I like entrepreneurs that solve problems and impact millions of people. I am a huge fan of four entrepreneurs that run two startups. [First] Bridg- run by two young guys, Moussa Beidas and Nadim Jarudi, who decided to disrupt the old fashioned “point of service” device that should go to museums anytime soon. [Second] Paykii- run by Fabian Saide and Nelson Irizarry, who, decided from Washington and Mexico, to help all migrant workers pay bills in their home country from their working place. MENA is the second largest host of migrant workers, and Paykii has already signed agreements with several money transfer and bill payment aggregators in MENA, Asia, LATAM and the US.”

### ADVICE FOR ASPIRING ENTREPRENEURS

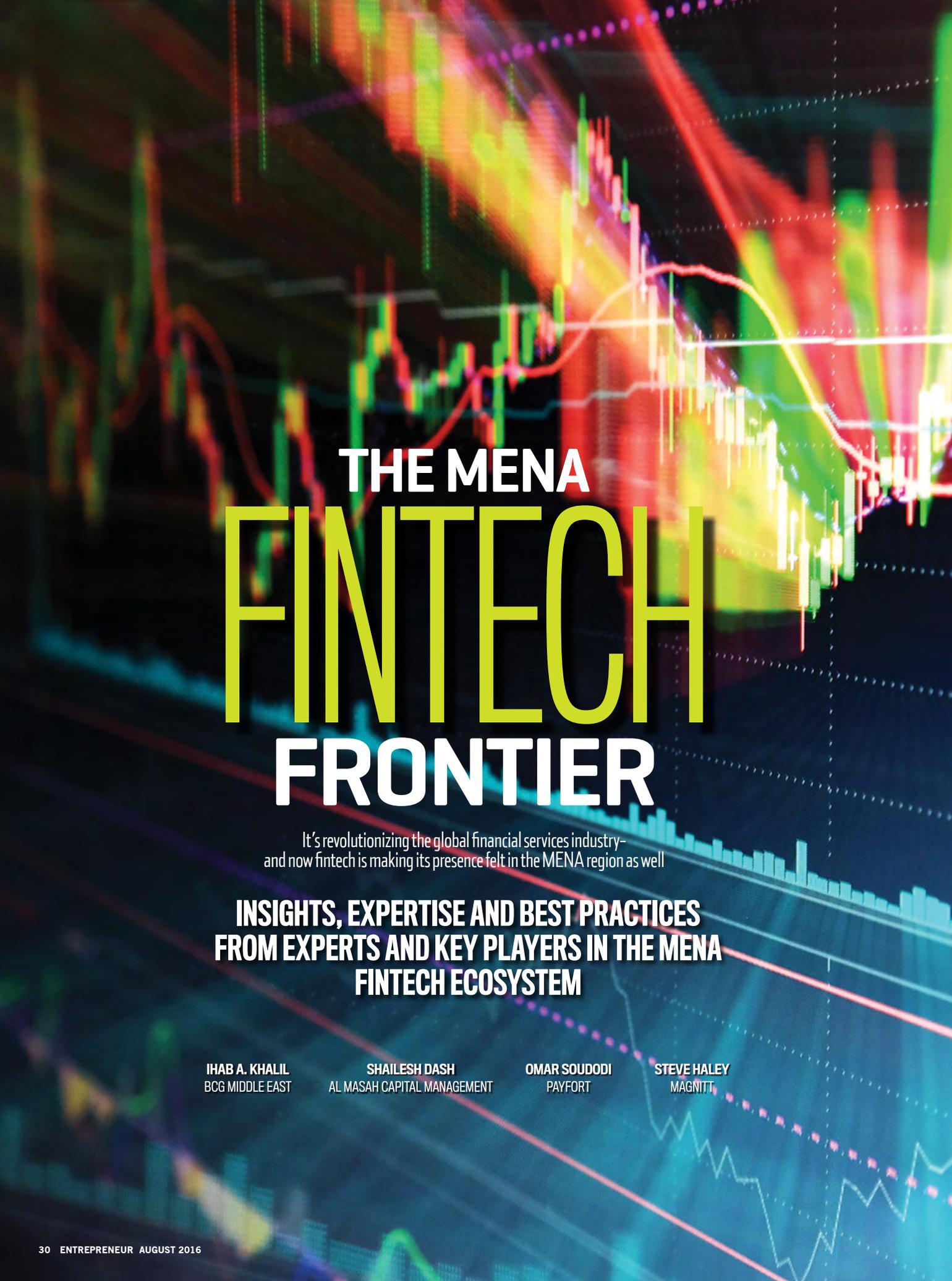
“[Firstly,] be aware that entrepreneurship is 1% glamorous and 99% insanely difficult. [Second,] be willing to invest the double of your last yearly income with a 90% risk of losing it all. [Finally,] don’t go alone to the toughest work in your life, surround yourself with more prepared people. Be aware that corporate life (including startups) is a jungle, and trust is always a factor that evolves very quickly. If you start alone, wait to give the ‘co-founder’ title until you really trust your partner.”

### TIPS FOR ENTREPRENEURS RAISING FUNDS

“Investors want to hear a story that makes them dream. It’s not about you; it’s about the problem you are solving. Keep it short, sharp, precise. Your background is only useful to give credibility (we don’t care who you know, where you lived, or where you got your first diploma). Don’t pitch if you are not ready- rehearse, rehearse, rehearse before pitching.”



Elias Ghanem, co-founder, Telr and Resident Mentor, UK Lebanon Tech hub



# THE MENA FINTECH FRONTIER

It's revolutionizing the global financial services industry—  
and now fintech is making its presence felt in the MENA region as well

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FROM EXPERTS AND KEY PLAYERS IN THE MENA  
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MAGNITT

## THE RAPID GROWTH OF FINTECH

A revolution in the payments industry

By Ihab A. Khalil

Since its inception, the vast, fast-paced world of fintech—the intersection of two dynamic industries—has irrevocably redefined, retransformed, and reshaped the sphere of business. In just over a decade, a plethora of trends have punctuated the fintech landscape, giving rise to a new era of investment, customer service, and digital innovation. More importantly, this fintech revolution has turned conventional approaches to financial technology on their heads.

In recent years, fintech companies, which are mostly startups, have increased dramatically in number—from about 1,000 in 2005 to over 8,000 in 2016—and have harnessed new cutting-edge technologies to provide financial services while sidestepping the legacy cost structures and regulatory constraints of traditional banks. Collectively, fintech firms now offer services covering many of the traditional business lines of retail and other banks, from credit cards and loans to payments, cross-border transfers, and digital currencies.

ON A GLOBAL SCALE, THE RETAIL DIGITAL PAYMENTS INDUSTRY IS, TODAY, IN THE THROES OF PROFOUND CHANGE, TRIGGERED BY A NUMBER OF KEY FACTORS. FIRST, WHEN MAKING PAYMENTS, CONSUMERS IN THIS DAY AND AGE WANT OMNI-CHANNEL SOLUTIONS, SECURITY AND VALUE-ADDED SERVICES THAT OFFER MORE THAN JUST SEAMLESS CONVENIENCE. SECONDLY, MERCHANTS, ON THEIR PART, WANT LOWER COST PAYMENTS AND EASY INTEGRATION WITH VALUE-ADDED APPLICATIONS.

Today, globally, fintech funding is increasing at an accelerating rate: the US\$5.5 billion in total funding of eleven years ago has skyrocketed to a cumulative \$78.6 billion, according to the Boston Consulting Group's fintech database. Geographically, North America players have received the greatest absolute level of funding—about 71% of total funding—while Asia Pacific ones have attracted the highest share. In parallel, within that specific time frame, fintech offerings have focused in particular on consumer- and corporate-banking activities; in fact, companies targeting consumer and corporate customers have attracted the greatest share of investments.

Remarkably, since 2011, a total of six non-public firms—SoFi, Alipay, Avant, One97 Communications, Zenefits and Square—have garnered more than \$500 million of cumulative investment. In addition, more than 15

unicorns—startups with valuations of \$1 billion or more—have emerged with an aggregate valuation of over \$50 billion.

IN RECENT YEARS, FINTECH COMPANIES, WHICH ARE MOSTLY STARTUPS, HAVE INCREASED DRAMATICALLY IN NUMBER—FROM ABOUT 1,000 IN 2005 TO OVER 8,000 IN 2016—AND HAVE HARNESSSED NEW CUTTING-EDGE TECHNOLOGIES TO PROVIDE FINANCIAL SERVICES WHILE SIDESTEPING THE LEGACY COST STRUCTURES AND REGULATORY CONSTRAINTS OF TRADITIONAL BANKS.

There is no denying that fintech's emergence as a full-fledged worldwide phenomenon has been sparked by steady, strategic investments and tremendous growth—driven primarily by three popular investment categories: payments, lending/crowdfunding, and data & analytics. Overall, the payments cluster—comprising consumer payment services, merchant payment services, new payment types and infrastructure and ancillary services—has received the largest investment as a category (30%) and is currently dominating the fintech landscape, exhibiting rapid

growth across an increasingly diverse product mix.

On a global scale, the retail digital payments industry is, today, in the throes of profound change, triggered by a number of key factors. First, when making payments, consumers in this day and age want omni-channel solutions, security and value-added services that offer more than just seamless convenience. Secondly, merchants, on their part, want lower cost payments and easy integration with value-added applications. Moreover, digital giants and new entrants are vying for digital transactions and firms are shifting towards revenue-sharing models, such as Apple Pay. From a technology standpoint, biometrics and tokenization are driving a step change in security and convenience.

The reality is, new breakthrough technologies and digitization initiatives are reinventing the “art of the possible” in payments and ushering in a new world of multiple wallets, “devices,” and supporting infrastructure. More specifically, they are simplifying the payment process and rendering it invisible. >>>

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Together, these forces are radically altering the payments space and helping to reevaluate the needs of both consumers and merchants—leaving ample room for fintechs to irreversibly change the game.

The vast appeal of fintechs lies in their ability to offer a differentiated business model, deliver an enhanced, personalized customer experience and tap into the power of digital to ensure end-to-end business value. And that is precisely why payment fintechs—which include digital wallets, integrated Point of Sale (POS) systems, person-to-person (P2P) payments and cross-border transfers—are disrupting the industry to varying degrees.

With this in mind, an immediate question arises as to how exactly fintechs are impacting banks.

The answer? It varies depending on the type of disruption.

To determine whether the fintech ecosystem poses a threat or presents an opportunity, banks need to adopt a multi-phased assessment framework that begins with three questions:

- Does it scale?
- Does it provide real value to consumers?
- Does it provide real value to merchants?

If the answer to all three questions is “yes,” then the next obvious question is: what is the impact on your economics?

If it is likely negative, then



it is most probably a threat. By contrast, if it is potentially positive, then it may bring forth an opportunity.

Typically, the emergence of digital wallets is more opportunity than threat: after all, it cements card usage at POS systems and offers the chance to build digital wallet leadership. On the other hand, new POS technology can hinder small business relationships—it can take merchant acquiring business and offer value-added services.

Simplified P2P systems are a potential threat only if the scope is extended. They could win consumers thanks to their ease of use, prompt a move towards POS systems, offer other financial services, and promise value-added services. Lastly, cross-border transfers are generally classified as a threat as they can capture high margin business and eventually reach small businesses.

Based on this, it is clear that the size of the prize that fintechs could grab remains to be seen; it all depends on

banks' respective reactions, the sweeping changes in the ecosystem, and the creation of attractive alternative revenue streams. Fintechs also spawn opportunities for inorganic innovation in the

banking sector; they can be acquired to offer pioneering services—in a manner that is faster and cheaper than would otherwise be possible (if they built them in-house).

In spite of the rise of the fintech tsunami, banks remain well protected by regulations particularly with regards to deposit holding.

As a result, while fintechs can pose a threat for part of the core business of banks, they also open up avenues for innovation for other divisions of the organization.

In short, adequately assessing the risk is what it all boils down to. ■

## SURGING AHEAD

Fintech startups are making waves in the Middle East

By Steve Haley

**F**intech, i.e. financial services technology, was the startup buzzword of 2015, with the sector boasting of over US\$3 billion in venture investments, which shouldn't be surprising in the wake of a global economic crisis that highlighted the industry's need for disruption. According to CB Insights, 19 fintech startups have joined the exclusive “unicorn club” of venture-backed companies valued at over \$1 billion, many of which are in wealth management, peer-to-peer lending marketplaces, price comparison and payments. Payment companies alone raised \$3.3 billion in venture funding last year. But what does that mean for emerging markets like the Middle East, Africa, Southeast Asia and India? Companies in these regions usually fall into two categories: one, those that

alter tried and true models from the U.S. and Europe to a new market, or two, those that create a new product tailored to the large unbanked and under-banked populations.

In markets like Africa and SE Asia, we're seeing the latter, with technologies around mobile money and “last mile innovation” to bring new products and services to customers that are not already connected to the banking and payment infrastructures of more developed economies. In the Middle East, most fintech startups are taking some of the most successful business models of the U.S. and Europe and tailoring them to the customers and regulations of the region—although that's easier said than done. And if fintech was the global buzzword for startups in 2015, it's looking to be just that for 2016 in the Middle East. PayFort, which is



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enabling online payments all over the region, has announced the launch of its Fintech Factory, a startup accelerator in Dubai that will invest in and enable 4-5 startups this year. Last year, Egypt's bill payment service Fawry brought to the region one of its biggest equity exits, rumored to be at \$100 million.

New exciting fintech startups are thus popping up every month, and MAGNiTT (of which I am in the advisory board of) is a platform that can help you connect with some of the most interesting ones here in the Middle East. Here are three fintech sectors that have caught my eye, and the MENA startups making their presence felt in these spaces:

### 1. CROWDFUNDING

Crowdfunding consists of three main categories: rewards crowdfunding (e.g. Kickstarter, Indiegogo), peer-to-peer lending marketplaces (e.g. Lending Club, SoFi, Prosper, Funding Circle), and equity crowdfunding (e.g. Angelist, Crowdcube). In the highly regulated Middle East, P2P lending is still in its early stages, but with highly exclusive formal lending across the region and the huge success of lending platforms in the

US and UK, we're likely to see a lot more from the trailblazers at Beehive (UAE-based and UAE-focused) and Liwwa (Jordan-based and region-focused).

Liwwa recently closed an impressive \$2.3 million funding round led by Silicon Badia to build up their ability to assess an applicant using technology rather than traditional credit ratings that have made most banks in the region ineffective at growing SMEs. In one year, they have lent over \$1.6 million to 75 companies, and with current applications for over \$50 million from qualified companies, the startup has definitely shown the demand for its product. Co-founder and CEO Ahmed Moor started the company out of Harvard, and it boasts of international rockstar advisors like Prosper's Chris Larsen.

Zoomaal, founded in 2012 in Lebanon and led by founder and CEO Abdallah Absi, is on a mission to "bring back Arab creativity." By focusing on rewards rather than lending or equity, Zoomaal has fewer legal challenges to getting sustainable projects funded and building a community of Arab funders. With funding from MEVP (Lebanon), Sawari



Ventures (Egypt), Cairo Angels (Egypt), Hivos (Netherlands) and Wamda (UAE), Zoomaal has launched over 100 successful funding campaigns totaling over \$1.3 million for projects. Look for their expansion into Turkey in the coming months. Perhaps most impressively, projects funded through Zoomaal have created over 500 jobs, most of them going to women. That's an impact ROI most development organizations only dream of.

### 2. WEALTH MANAGEMENT

Innovation in wealth management began with exchange traded funds (ETFs) like Vanguard and online day trading (E\*Trade), but more recently it

MADFOOATCOM CLOSED AN INVESTMENT ROUND LAST YEAR (SERIES A WITH \$5 MILLION), AND IS LOOKING TO EXPAND INTO THE REGION AND AFRICA THIS YEAR. THEIR MAJOR GROWTH CAME FROM A CONTRACT FROM THE CENTRAL BANK OF JORDAN TO CREATE AND ADMINISTER THE COUNTRY'S NATIONAL ELECTRONIC BILL PRESENTMENT AND PAYMENT SERVICE GATEWAY, EFAWATEERCOM.

has opened up to robo-advisors, online wealth management tools that exclusively use algorithms to invest in public markets, drastically reducing management fees for customers and cutting out traditional financial advisors. The biggest names, Wealthfront and Betterment, are both valued more than half a billion dollars, and have a combined over \$5 billion under advisement or management. However, regional regulations that cover financial advisory and the specific needs of their customers mean that we're unlikely to be able to take advantage of their low fees and user-friendly platforms. Luckily for the Middle East retail investors, there is now an alternate option.

Finerd went live in September 2015, which was when it onboarded its first client as well. They are focusing on mid-career professionals with around \$100K-\$200K in liquid assets. They've recently been accepted into TURN8's accelerator program, and the >>>

investment and in-kind assistance will bring their much-awaited Sharia-compliant products to market later this year. Due to regulations requiring in-person KYC in the UAE, they are only looking at bringing on new clients in Dubai, but with regulators in both Dubai and Abu Dhabi taking a close look at the potential for fintech, Finerd will be well positioned for much wider access to inexpensive and timely investment opportunities.

### 3. PAYMENT SOLUTIONS

The payment solutions sector is where the Middle East has seen the largest fintech innovations (I've already mentioned PayFort and Fawry), but it needs much more to allow for e-commerce to thrive, as it has in nearly every other market. A big part of that falls on regulators and central banks to modernize, but also on entrepreneurs to find ways through partnerships and innovative products to demon-

strate real value to customers. Several companies are providing merchants better access to customers that already have electronic payment means such as credit cards (think Square and ApplePay in the U.S.), like PayMob, PayMe, and Bridg.

MadfoatCom, the Jordanian bill payment and payment service company that got its start at Oasis500, is expanding the successful bill payment focus, creating a platform for customers to inquire and pay their bills in a single location via their banks' online channels. It can be tied into other payment solutions as well, bringing an important use case to innovations like mobile wallets. CEO Nasser Saleh got the idea for MadfoatCom after coming back to Jordan from working abroad and standing in line after line trying to pay a few simple bills.

MadfoatCom closed an investment round last year (Series A with \$5 million), and is looking to expand into the

region and Africa this year. Their major growth came from a contract from the Central Bank of Jordan to create and administer the country's national electronic bill presentation and payment service gateway, eFawateerCom. While Saleh refers to this occurrence as being "lucky," that doesn't give credit to the years of work perfecting their product to a point that they were chosen by the regulator. Since launching eFawateerCom, MadfoatCom is now working with 49 billers and connected to 23 of Jordan's 25 banks. They process more than 4000 bill payments daily and growing, and to date have processed more than \$100 million of paid bills.

### 4. RETAIL FINANCIAL SERVICES

Sometimes, existing financial institutions are slow to adapt their sales channels and products to an online world, or their products are too complicated to be easily understood, which

in the UK and US led to a growth in financial services comparison websites and what CB Insights has outlined in their *The Unbundling of Banks* infographic. But it also allows for new products and services and new ways for traditional financial institutions to reach customers. Feloosy is looking at companies like Acorn, who have made saving money faster and simpler for millennials, but with an Arab twist. With a Feloosy account, you'll be able to put small amounts of money into an investment account towards a specific goal, whether a car, television, or education. This can be a very exciting prospect if they can tie it into PayFort's payment gateway and souq.com's merchants.

compareit4me.com, until recently, focused solely on comparing banking products and services helping new clients select the best banking options. Their revenue came from the banks who paid for leads, much like their counterparts in the UK. However, a couple of weeks ago, they launched their end-to-end car insurance comparison platform, which allows users to compare instant car insurance quote and buy online, a first in the MENA region. The new product has already generated more than 20,000 quotes and sold more than 600 car insurance policies.

compareit4me.com has placed a strong emphasis on customer service, by hiring a customer support team from some of the leading insurers in the UAE. When we think of comparison websites, we usually think "price comparison," but CEO Jon Richards is quick to contest the idea. For him, compareit4me is a "value com-



Steve Haley has been leading diverse mission-driven teams for 17 years in 8 different countries between work in the military, mathematics, humanitarian assistance, economic development. He is currently an advisor to MAGNITT and previously worked with Eureeca focused on providing transparent access to private capital markets through crowd investing. He has worked in Italy, Austria, Iraq, Lebanon, Yemen, Libya and Egypt, leading teams as large as 350 people. In 2011, Steve founded MC Egypt as a social investment company, leading the development of an early stage fund of funds to increase access to capital. Steve holds Bachelor's Degree in Applied Mathematics from West Point, and a master's in Theoretical Mathematics from the University of Padova.

DEMOCRANCE PROVIDES A FINTECH SOLUTION THAT MAKES INSURANCE AFFORDABLE AND ACCESSIBLE TO THE PEOPLE WHO NEED IT THE MOST. IT'S AFFORDABLE, BECAUSE IT DISTRIBUTES, ADMINISTERS AND SERVICES INSURANCE POLICIES ONLY THROUGH THE MOBILE PHONE, WHICH RESULTS IN CONSIDERABLE COST SAVINGS WHEN COMPARED TO THE TRADITIONAL INSURANCE MODEL.

parison" platform, and it's been evidenced by data: 85% of their clients do not choose the cheapest quote, instead opting to get the right level of cover.

Democrance is also planning to disrupt the insurance market by partnering with insurance companies and mobile operators to offer insurance to the underserved micro-insurance market in the Middle East and North Africa. The startup provides a fintech solution that makes insurance affordable and accessible to the people who need it the most. It's affordable, because it distributes, administers and services insurance policies only through the mobile phone, which results in considerable cost savings when compared to the traditional insurance model, and it's accessible, as insurance premiums are also collected through mobile payment channels instead of traditional banking ones, which the low-income population do not normally have access to.

Democrance also conducts in-depth customer research and help insurers shift existing products to fit the unanswered needs, then use their mobile technology platform and partnerships with telecom companies to offer and sell these micro insurance products at scale. Only 5-10% of the MENA population currently has insurance, while only 0.3% of the population have access to micro-insurance. These numbers have stagnated, and Democrance plans to bring the security that comes with life, health and other kinds of insurance to the masses. ■

## Flat6Labs and Barclays launch 1864 Accelerator to focus on fintech in Egypt

With a large section of Egypt's population being underserved in their access to financial services, the country is emerging as a hotbed for fintech ventures. Recognizing this momentum, Flat6Labs in partnership with Barclays Bank, Egypt has launched 1864 Accelerator, a fintech-focused startup accelerator to support fintech innovation in Egypt. In a statement, commenting on how 1864 can benefit aspiring entrepreneurs in Egypt, Ramez Mohamed, CEO, Flat6Labs, says, "Those who excel during the selection process qualify for seed funding from Flat6Labs to establish a strong foundation for their projects, and [they] will be mentored by a team of experts to ensure the success and sustainability of their startup companies."

When considering applicants, 1864 Accelerator will primarily be looking at scalability and monetization strategy of the ideas, and

also evaluate "the character and potential of each team." The accelerator proposes to choose eight to ten teams for its first cycle, which lasts for 14 weeks. "Each team will receive up to EGP150,000 in seed funding [from Flat6Labs], and a whole host of other services that include, but are not limited to \$300,000 in perks and services from our partners, industry support by Barclays Bank Egypt, as well as legal support," says Omar Badr, Communications Manager, Flat6Labs. By providing six months of shared office space to the selected startups, the accelerator also plans to create a community of fintech innovators in Egypt through weekly pitch nights and business networking events. Badr says the accelerator hasn't yet planned for subsequent cycles, as it is currently focused on executing "the best in class experience and support for fintech ventures in Egypt." As part of the partnership, Barclays Bank, Egypt is

also contributing to the program with its financial and banking expertise, and will also offer other kinds of support. Flat6Labs, on the other hand, will bring in their know-how of running accelerator programs and will be responsible for 1864 Accelerator's execution. Discussing the reasons for choosing Egypt as the base, Badr says that the country has a large scope for fintech proliferation in



Ramez Mohamed, CEO, Flat6Labs at the launch of 1864

both the low end and high end of the market. He cites success stories of Fawry, Egypt's leading electronic bill payment platform, as evidence of the country's potential. With fintech ventures ranging from alternative forms of lending to payment processing systems, Flat6Labs believes that "if these companies can exist elsewhere, then why not in Egypt or the Middle East." While it is a nascent concept for the Egypt ecosystem, fintech holds promising growth opportunities, but educating customers on going digital for their financial activities continues to be a key challenge—and one that 1864 hopes to address. [www.1864accelerator.com](http://www.1864accelerator.com)



1864 Fintech Accelerator



## MOVING MAINSTREAM

A VC's perspective on the MENA fintech ecosystem- and why regulatory environments need to change for this sector to thrive

By Shailesh Dash

**T**he fintech sector has emerged as the poster child of global investment activity in the past five years, with more than US\$50 billion invested in almost 2,500 companies since 2010. We have seen fintechs grow from being mere startups offering payment solutions to transforming the global financial services industry during that period. Post 2009, consumers have become more receptive to alternative channels of payment, lending, fundraising, etc., and in the meantime, fintech has also emerged as a game changer for SMEs, offering innovative tailor-made products, such as marketplace lending, crowdfunding, and tech-enabled payments, especially when lending from traditional banks was tiring and futile.

Consequently, fintech companies have attracted significant interest from venture capitalists (VCs) as the value of investments grew multifold since 2010, from US\$1.8 billion to US\$22.3 billion at the end of 2015. Moreover, fintech investments grew by 75.5% in 2015, outpacing the 29% growth in the overall venture space, which affirms the sector's position as a hot ticket in the financial service space. Additionally, 2015 witnessed several fintech IPOs such as PayPal, Square, WorldPay, and First Data commanding multi-billion dollar valuations. On the other hand, 2015 also saw the demise of some iconic industry players, most notably Powa, which built mobile payment products and was once considered one of the UK's brightest tech startups, valued at US\$2.7 billion in 2015.

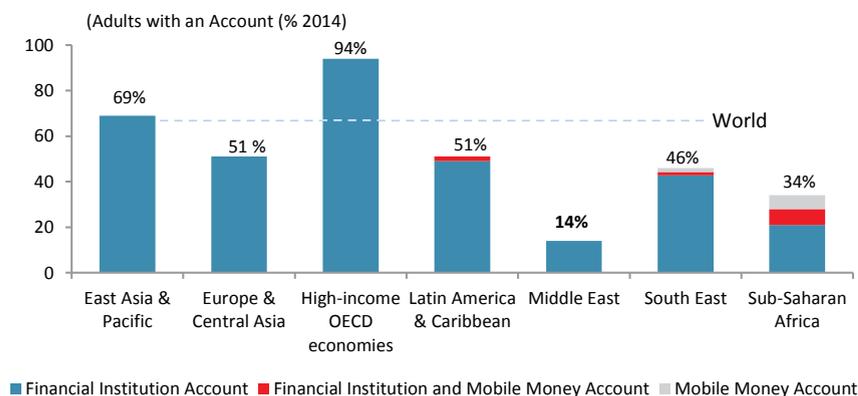
I believe that the fintech sector is reaching the next level of maturity and moving

into the mainstream. However, the fintech industry remains at a nascent stage in the MENA region, despite favorable demographics (highly educated people, high levels of income and high smartphone penetration rates) and several digital transformation drives initiated by regional governments. Lagging regulations in most sectors, combined with limited private sector interest, and dominance of cash as the preferred mode of payment remain the key bottlenecks for development of fintech in the region.

In the region, we have already seen several fintech companies making a mark on the regional financial services industry. For instance, alternate payment systems, such as CashU, are slowly gaining popularity on the back of increasing e-commerce transactions, while crowdfunding (Eureeca, Aflamnah and Durise) and peer-to-peer lending (Beehive) platforms have emerged as potential gamechangers for regional SMEs that find it difficult to obtain financing from traditional channels. I believe that the long-term shift in the MENA financial services domain has only just begun, with more personalized products and services such as Islamic finance, remittances, insurance, and investment advisory services lurking to be introduced in the horizon. Further, it is important to note these fintechs primarily target less profitable/untapped segments, which was not serviced by traditional financial services institutions, and therefore their rise should be regarded as an evolution of regional financial services industry, rather than its disruption.

Although, it would not be appropriate to compare the region's fintech sector to its global peers, as it is still in early stages, but we are clearly seeing an increase in interest from VC players, with the number of fintechs growing rapidly in the region. Given that we are still in an early stage, the VCs will have significant opportunity to capitalize on the potential growth prospects as seen in global markets. Further, we have seen several regional players such as Fawry, Zoomaal, Compareit4me, and Liwwa attracting the interest of VC firms and raising millions of dollars to fund their business. The valuation of many such startups have increased significantly in a short span of time, and I believe this will lead to the rise of new unicorns in the region going forward. Although, the rising number of fintech startups will eventually increase

### FINTECH SHOULD SUPPORT FINANCIAL ACCESS AND INCLUSION IN MENA



the competition, I believe it will augur well for innovators and investors as the industry evolves over the next few years.

A fintech startup in the MENA needs to be fostered from its inception, so as to become an industry unicorn in a rapidly changing environment. The real value in investing would be either at the seed level, or at early rounds of capital raising activity, as valuation shoots up by multiples in a very short span of time. Having said that, for

institutional investors such as PE firms/funds and family businesses, there is an opportunity to partner and incubate the ecosystem by lending support and resources to regional fintech startups who are aspiring to convert their bright ideas into reality.

As a strategic investor, we would look at companies/ideas that would have the potential to transform the financial services industry and ease the traditional processes and services offered by banks. Further, we believe

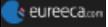
in partnering with companies from the initial stages until they become industry leaders. We have seen similar breakthroughs in the global fintech sector and believe that similar success stories can be replicated within the region provided they have the right ideas and management to navigate through the business cycle. In my opinion, the solutions-driven fintech startups are likely to become an important part of the financial services infrastructure, and they have the ability to transform into

next generation unicorns.

There are two big challenges for fintech companies in the region: lack of access to finance and the regulatory environment. Firstly, VC-related entrepreneurship is at a relatively nascent level, and the lack of exit options within the region is also making VC investors wary of investing in such technologies. Further, raising funds for VCs has been challenging, mainly due to limited track records coupled with family groups preferring to invest through their own private offices. Secondly, the regulatory framework in the region is still difficult for fintech companies, especially those that directly compete with traditional regional banks. Hence, I believe that for the industry to evolve, governments will have to play an important role in fostering the fintech ecosystem in the region.

Going forward, I believe that the regional fintech outlook remains promising, despite being at a nascent stage compared to the global fintech industry. Regional firms have made their mark by targeting less profitable/untapped segments and by delivering better customer experience, and therefore, their future growth potential should not be underestimated. I think the accelerated adoption of fintech by regional financial institutions will assist in bridging the gap between regional financial services and their western counterparts. However, I strongly believe that the regulatory environment would be critical for growth going forward, and the ability of fintechs to operate and adhere to stringent and rapidly changing regulations will be key to success. ■

### MAJOR PLAYERS IN MENA'S FINTECH INDUSTRY

 <ul style="list-style-type: none"> <li>Established: 2013</li> <li>Country: UAE</li> <li>Business Segment: Crowdfunding</li> <li>Overview: Eureeca is a global equity crowdfunding platform. It enables members to buy shares in growth-oriented businesses.</li> <li>Key Investors: NA</li> <li>Funding Rounds: NA</li> </ul>	 <ul style="list-style-type: none"> <li>Established: 2012</li> <li>Country: UAE</li> <li>Business Segment: Crowdfunding</li> <li>Overview: Aflamnah is an advisory committee that is made up of leading figures from the fields of business, finance, creative, etc.</li> <li>Key Investors: NA</li> <li>Funding Rounds: NA</li> </ul>	 <ul style="list-style-type: none"> <li>Established: 2014</li> <li>Country: UAE</li> <li>Business Segment: Crowdfunding</li> <li>Overview: DURISE is a real estate crowdfunding platform in the Middle East. Where investors can invest on their own terms.</li> <li>Key Investors: NA</li> <li>Funding Rounds: NA</li> </ul>
 <ul style="list-style-type: none"> <li>Established: 2012</li> <li>Country: Lebanon</li> <li>Business Segment: Crowdfunding</li> <li>Overview: Led by Founder and CEO Abdallah Absi, Zoomaal connects projects in the Middle East to funders from around the world.</li> <li>Key Investors: The Wamda Capital Fund, Sawari Ventures I</li> <li>Funding Rounds: Undisclosed (July.2013)</li> </ul>	 <ul style="list-style-type: none"> <li>Established: 2012</li> <li>Country: Jordan</li> <li>Business Segment: P2P Lending</li> <li>Overview: Liwwa, is a peer to peer lending platform in the MENA region. It connects small and medium businesses with fixed-income investors.</li> <li>Key Investors: Badia Impact Fund</li> <li>Funding Rounds: 2.35 mn (April.2016)</li> </ul>	 <ul style="list-style-type: none"> <li>Established: 2015</li> <li>Country: UAE</li> <li>Business Segment: Wealth Management</li> <li>Overview: Finerd is an automated investment service. It provides investment solutions.</li> <li>Key Investors: NA</li> <li>Funding Rounds: NA</li> </ul>
 <ul style="list-style-type: none"> <li>Established: 2011</li> <li>Country: UAE</li> <li>Business Segment: Wealth Management</li> <li>Overview: compareit4me.com is the finance comparison site in the Middle East, helps users to find and compare credit cards, bank accounts, etc.</li> <li>Key Investors: STC Ventures</li> <li>Funding Rounds: 3\$ mn (Sept.2015)</li> </ul>	 <ul style="list-style-type: none"> <li>Established: 2011</li> <li>Country: Lebanon</li> <li>Business Segment: Wealth Management</li> <li>Overview: Bnooki is an online platform that has data related to financial products and services offered by banks and financial institutions in Lebanon.</li> <li>Key Investors: NA</li> <li>Funding Rounds: NA</li> </ul>	 <ul style="list-style-type: none"> <li>Established: 2015</li> <li>Country: Egypt</li> <li>Business Segment: Wealth Management</li> <li>Overview: Felooosy is a firm that helps save up for any financial goals. It customizes a personalized saving plan to help reach targets.</li> <li>Key Investors: NA</li> <li>Funding Rounds: NA</li> </ul>
 <ul style="list-style-type: none"> <li>Established: 2015</li> <li>Country: UAE</li> <li>Business Segment: Insurance</li> <li>Overview: Democrance provides insurance for both insurance companies and mobile network operators.</li> <li>Key Investors: NA</li> <li>Funding Rounds: NA</li> </ul>	 <ul style="list-style-type: none"> <li>Established: 2001</li> <li>Country: Lebanon</li> <li>Business Segment: Technology Solutions</li> <li>Overview: Established in 2000, Netiks is an e-business solution provider present in the Lebanese market.</li> <li>Key Investors: NA</li> <li>Funding Rounds: NA</li> </ul>	 <ul style="list-style-type: none"> <li>Established: 2014</li> <li>Country: UAE</li> <li>Business Segment: Technology Solutions</li> <li>Overview: Scribill Pay is a software development company in websites design and development, web application development, social media marketing, etc.</li> <li>Key Investors: NA</li> <li>Funding Rounds: NA</li> </ul>



Shailesh Dash is the founder, CEO and Board Member of Al Masah Capital. A veteran of the MENA alternative investments sector, Dash has over 20 years of alternative investment experience. In 2010, he started Al Masah Capital, which has successfully raised over US\$1 billion and established itself as one of the fastest growing alternative investment management and advisory firms focusing on the MENA & SE Asia region. Before Al Masah Capital, Dash had managed \$4 billion of assets and executed 14 IPOs and five trade sales. In addition, he created the second largest PE business in the MENA region (extrapolated from rankings of PEI Asia) and served on the boards of 12 companies.

Omar Soudodi,  
Managing Director,  
PayFort



## How to start (and scale) a fintech startup in the Arab world

### THE PAYFORT STORY

By Omar Soudodi

All successful startups have one thing in common: they all solve a problem or a set of problems pertaining to their addressable market. Some problems are bigger than others, thus the size of the market, the team, and the potential value/contribution a startup can make on its ecosystem are important factors that count toward its success. When it comes to ensuring the success of your fintech startup, the key rule to follow is to pick a big problem to solve, which has a huge addressable market, and then come up with a plan to solve it.

Online payment in the Arab world face many challenges, first on the supply side, wherein companies, mostly startups, face issues in accepting online payments, due to the hassles involved in being accepted by acquiring banks. At the same time, some big offline conglomerates tend to struggle with establishing an online presence, thereby leaving a supply gap in the market. On the demand side (i.e. the end consumers), some customers don't trust the websites they are buying from, hesitate to use their cards online, or simply do not have a credit/debit card, which represents around 80% of the total population in the Arab

world. As a result, this leaves companies and organizations with somewhat limited payment options to offer for its end-users.

PayFort started a few years ago with one objective, which was to "solve the online payment problem in the Arab world," as part of the Souq Group of Companies. The co-founding team -around eight of us- came together with different backgrounds: banking, online payment, marketing/business development, finance, and of course, tech, and we started with scoping out the problem of online payment. We quickly found out that there was not just one issue, but many: these included the time taken for companies to go online, friction on the checkout page from lack of payment methods, trust issues, low purchasing power in certain markets, low credit card penetration- the list went on and on.

At first, the task of solving some of these problems felt overwhelming, but we understood that we needed to think long-term, and break this one big problem to many, and develop products/services in order to solve most of them. We had to factor in more time for our plan, since fintech requires adherence to regulatory requirements, which start with local laws, then Payment Card Industry (PCI) standards, and further ensuring all security measures have been taken, since we are, after all, in the business of trust.

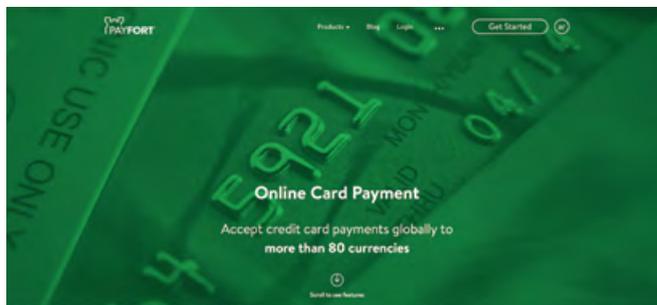
Fortunately for us, in the past few years, the Arab world have been witnessing a major transformation in fintech in general and in online payment in particular, with many local payment methods establishing themselves in various markets such as Fawry in Egypt, Sadad in Saudi Arabia and E-Dirham in the UAE to name a few, which allow end-users to pay

online and thus became an integral part of our ability to enable companies to convert more browsers into paying customers.

After months of operations serving just one country, i.e. the UAE, our ambition was to grow our product offering to extend to other markets. We also wanted to address some of the other problems we had initially identified, and fine-tune them by listening to our merchant base, the issues they face, their likes and dislikes, and what they needed to grow their respective businesses.

WE NEEDED TO ENSURE THAT WE DON'T IGNORE STARTUPS- WE WANTED TO HELP ELIMINATE SOME OF THE BARRIERS THEY FACE TODAY IN TERMS OF PAYMENT. THIS LED US TO HAVING TWO CONCENTRATIONS AT THE COMPANY: SEPARATE TECH TEAMS, ONE FOCUSING ON ENTERPRISE, AND THE OTHER FOCUSING ON STARTUPS.

Fueled with resolve, our team started working on many fronts in this regard, which included growing in new markets such as KSA and Egypt, generating new product lines to grow conversion on our merchants checkout pages, increasing end users' purchasing power, and minimizing payment failures. This meant that we needed to grow our team in engineering, business development, finance, operations, relationship management, and risk, so as to ensure that we deliver what we promise to our merchants. One of the biggest challenges in realizing this was communication between different people in different departments and countries- speed was of the essence here, especially being a service provider, we needed to react fast to our merchants needs. In today's day and age, you'd think that with all of the tech available, communication shouldn't have been an issue- but it was! This was mainly



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due to the abundance of media where our team members communicated -email, WhatsApp, SMS, phone, Skype, etc.- and so, a lot of information was decentralized, sitting on way too many threads, which created a challenge to support, innovate, and grow fast.

The ability to communicate clearly and collaborate is very important for every company to scale. This issue among others was addressed at the PayFort Congress, an annual event where we bring everyone together for a couple of days, during which the team agreed to consolidate communication in one medium. After a few weeks of research on this topic, our team agreed on a collaboration tool that we now all use to communicate, collaborate and track all projects, tasks and deliverables. In the meantime, our annual event has become a chance for all of us to sit down and discuss our company roadmap, as well as brainstorm new product ideas such as Install-

ments and the yearly *State of Payments* report.

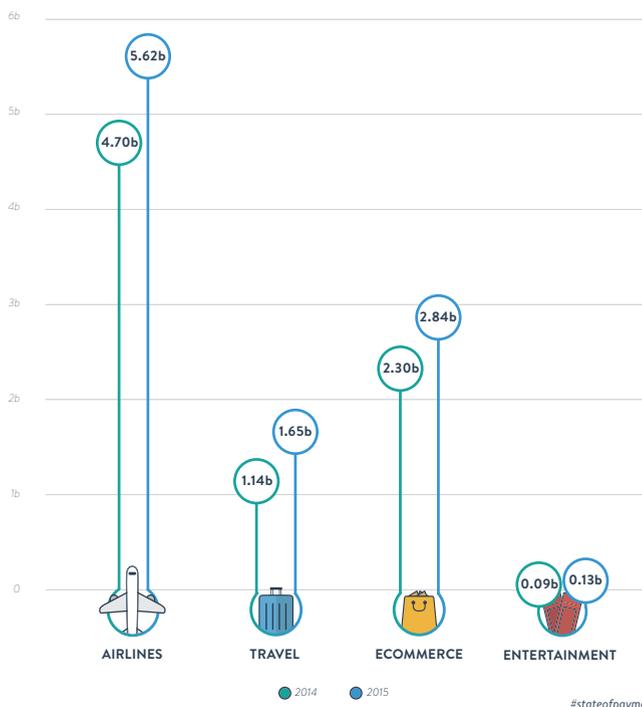
The culture of sharing, openness, and being flat also paved the way for PayFort to adopt a light version of holacracy in terms of governance, enabling teams to have the autonomy of being self-managed circles, rather than sticking to the traditional corporate hierarchy wherein decisions trickle from above, which is sometimes very slow in adapting to the constant change and meeting demands. Quickly adapting to change and innovation is a key factor of success, and it can only take place in a healthy and nurturing culture.

Another important element of scaling is focus. Given PayFort's broad audience that includes everyone from large corporations to airline companies, and government entities to startups, we realized we needed to have two disciplines for the company. The first of these was Enterprise, or the FORT, a product that can withstand supporting large volumes, has all the payment

methods from around the region, and offers many services to allow companies the ability to build their own payment stacks. However, at the same time, we needed to ensure that we don't ignore startups- we wanted to help eliminate some of the barriers they face today in terms of payment. This led us to having two concentrations at the company: separate tech teams, one focusing on Enterprise, and the other focusing on startups, which eventually led PayFort to acquiring a startup called White Payments that was working in this space. This is now called START ([www.start.payfort.com](http://www.start.payfort.com)), and it allows startups to start accepting payments, by streamlining both the bank onboarding process, and integrating the technology on their checkout pages.

It is very difficult in today's fast paced digital economy to keep up with innovation as well as cope with consumer behavior, and in order to keep up with these demands, PayFort started investing in integrating with other companies to seamlessly offer various services to our merchants, rather than developing all solutions in-house. This allows us to solve problems faster, and maintain our focus on building and scaling our core competencies and expanding in new markets as well. Currently PayFort is in six countries around the region, UAE, KSA, Egypt, Jordan, Qatar, and Lebanon, with over \$1 billion in processed payment volume in 2015, and plans to expand in other parts of the region and beyond in 2017, with a clear path to profitability. ■

#### MARKETSIZE UNITED ARAB EMIRATES



Omar Soudodi is the Managing Director of PayFort, the Arab world's online payment gateway. Soudodi brings entrepreneurial innovation and extensive dotcom expertise to PayFort, coupled with strong management experience in the financial sector in the Middle East and the United States. Soudodi was previously the general manager of Souq.com Egypt, the largest online retailer in the Arab world where he oversaw the launch and the successful growth of the portal since 2009. Prior to that, Soudodi was behind the creation and launch of Accelarabia.com in 2006, where he founded the region's first online mortgage aggregator, earning him regional recognition and nominations for multiple entrepreneurial awards. Before his entrepreneurial accomplishments in the Middle East, Omar spent 10 years building a successful banking career in the United States where he held several senior roles in commercial, international and private banking.



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# UNLOCKING THE SECRETS OF CAREER SUCCESS

Start by defining what being successful means to you

By Lama Ataya

**O**f all the goals we set in life, being successful is probably the one that stands out the most. But what is it that makes some people more successful than others? Are they smarter, or do they work harder? Are they risk-takers, or do they have powerful connections? And what is success, really?

## WHAT IS SUCCESS?

Oxford Dictionaries defines success as “the accomplishment of an aim or purpose.” To be successful, you must achieve your predefined goal and be satisfied with the outcome.

According to the Bayt.com *Secrets of Career Success in the Middle East and North Africa*, June 2016, success consists of a number of different factors, and insights from polled respondents illustrate how closely connected these factors may be. When it comes to defining success, the majority of professional respondents in the Middle East and North Africa (MENA) region say that their ultimate vision of success is being a true innovator, creator, or pioneer. A quarter stated they believe that their success comes from working in a career they absolutely love, while only a minority (5.6%) sees the accumulation of wealth or net worth as the ultimate definition of success.



**1 in 2**

MENA professionals have admitted to having a career mentor, to some extent, in their journey to success.



**45.4%**

of the MENA professionals surveyed are driven by inspiration at work.

## FINDING YOUR OWN DEFINITION OF SUCCESS

Wondering about what it takes to be successful? That’s a bit of a tricky question, because success means a lot of different things to different people. The only way to be sure you are truly successful is to define your very own success. Here are three essential pointers to help you.

### 1. A POWERFUL NETWORK

The Bayt.com *Secrets of Career Success in the Middle East and North Africa* poll shows that nine in 10 respondents believe that networking and maintaining relationships has been important in their career success. Highly successful professionals understand that they cannot achieve success alone or in a vacuum. They invest time and energy in building and nurturing relationships that last over time. They also develop an empowering, engaged network that paves the way for their success. These relationships should be built on trust, honesty, integrity, and common values. Those who exert their power to hurt or diminish others, or invest in office politics only because they think they’ll “win” that way, will be very disappointed. In fact, when asked about the biggest career mistake that a professional can make, nearly one-fifth (17.9%) of respondents to the Bayt.com *Secrets of Career Success*

in the Middle East and North Africa poll indicated that poor ethics and integrity are most detrimental to one’s career.

### 2. HARD WORK

Being successful requires commitment that doesn’t wane. It takes believing that you can create movement in your life and business, even when the waters are still and the world is giving evidence that you’re not going to make it to your destination.

According to the Bayt.com *Secrets of Career Success in the Middle East and North Africa* poll, nearly one-third (29.1%) of respondents owe their career success mostly to hard work, while far fewer chalk it up to intelligence (5.6%) or luck (3.6%). Working hard doesn’t mean that you should continue on your course blindly, crashing into the rocks without modifying your course. It means that you know when you need help, and you ask for it before it’s too late. You commit yourself to your goals without doubt, without reservation, and do what’s required, while at the same time learn to be flexible. Professionals that work hard and realize they have vulnerabilities and gaps in their knowledge and ability, and are determined to close these gaps, succeed at a much higher level than those who hide their heads in the sand.

IT’S GREAT TO SIT BACK AND LISTEN TO EXPERTS’ PERSPECTIVES AND JOIN IN HEALTHY CLASSROOM DIS-COURSE IN A VERY STRUCTURED DEDICATED ENVIRONMENT EVERY NOW AND THEN. IF YOU CANNOT PHYSICALLY ATTEND COURSES, YOU MAY WANT TO TRY ONLINE COURSES, SUCH AS THE ONES OFFERED BY BAYT.COM. A BAYT.COM POLL ON ONLINE EDUCATION HAS SHOWN THAT 39.3% OF PROFESSIONALS IN THE REGION SAY THEY WOULD CONSIDER PURSUING AN ONLINE COURSE, IF GIVEN A CHANCE.

### 3. LIFELONG LEARNING

Alvin Toffler said, “The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn and relearn”. Education and learning, both prior to beginning a career, as well as on the path to success, seem to be important components in the recipe for success. When asked about the best source of learning for career growth, responses were generally comparable. Results from the Bayt.com *Secrets of Career Success in the Middle East and North Africa* poll cited the following sources in order of importance: university courses or professional programs (16.3%), online courses (10%), books (9.6%), career-specific internet sites (7.5%), internet forums >>>

## Career success is achieved through a multitude of different attributes

It's not always about finding the perfect job or working your way up the ladder. To many MENA professionals, there are other factors that have played a part in their road to success.

To what do you owe your career success mostly?

**29.1%** Hard Work

**13.9%** Skills and Relationships

**10.8%** Family Support

**10.1%** Ethics and Integrity

**10.1%** Ongoing Learning

**6.3%** Teams/Managers

**5.6%** Intelligence/IQ

**4.7%** Education

**4.2%** Persistence

**3.6%** Luck

**1.6%** Other



**95%**

say that **networking and maintaining relationships** have been relatively important towards their success



**91.6%**

of MENA professionals say a **college education** has been relatively important to their success



**69.7%**

say that **exercise and physical fitness** have been 'extremely' important



**80.6%**

of professionals say their **family** has been 'extremely' important in their career success



**60.6%**

say that **taking risks** has been 'extremely' important in their career

## There are certain things that they need to do to remain successful

What do you believe is the most crucial habit for career success?

**21.3%**

Working very hard

**16.6%**

Being very organized

1.2% Other  
2.1% Starting the day early  
3% Taking risks  
3.1% Hiring great people

**8%** Reading always

**8.2%** Networking /  
maintaining relationships

**10.1%**

Ethics and integrity

**14.5%**  
Innovating /  
changing /  
being a pioneer

**11.9%**  
Planning ahead



What do you think is the best source of learning for career growth?

**16.3%**

University courses/professional programs

Online courses 10%

Books 9.6%

Internet sites specialized in my career 7.5%

Internet forums and discussion groups 7.1%

Industry conferences and forums 4.3%

Business magazines/journals 2.7%

Other 7.6%



**34.9%** All above equally

How frequently do you read books related to your career?

**33.3%**

Daily on average

**20.3%**

Weekly on average

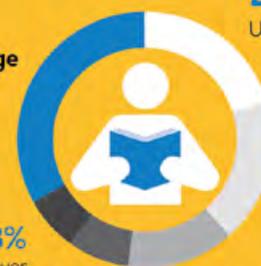
**6.8%**  
Never

**7.7%**  
Rarely

**13.8%**

Monthly on average

**18.1%**  
On occasion



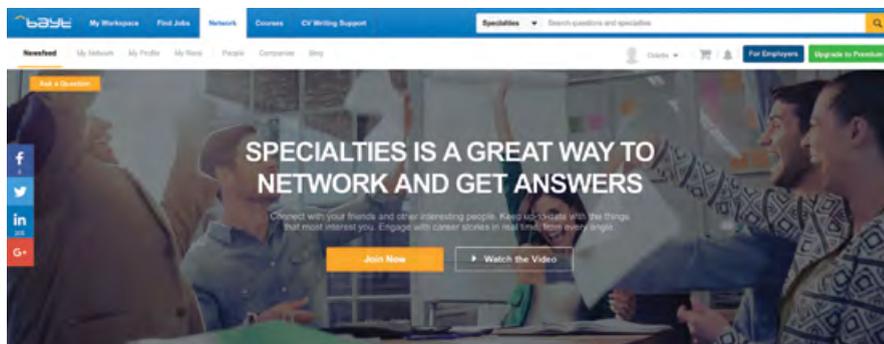
and discussion groups (7.1%), industry conferences and forums (4.3%), and business magazines and journals (2.7%). Approach the process of ongoing learning with zest and ardor. Here's how:

### I. READ LITERATURE RELATED TO YOUR CAREER

While 77.9% of respondents to a Bayt.com poll indicated they read constantly, 69.6% said they believe reading is vital to their career progress. Many books are absolute business classics in a general sense, while others may be very specific to your chosen domain; consult book reviews and industry journals when uncertain, and always aim to stay ahead of the curve in your career reading.

### II. DEVELOP INTERESTS IN NON-JOB RELATED AREAS

You would be surprised at the value you can derive both in your career and in your life in general from becoming better rounded in your knowledge and skills in a matter you are passionate about, even if it seems unrelated to your career. Most skills



are transferable and you are sure to find some way to incorporate your learning in your job at some point.

### III. TAKE ONLINE COURSES

It's great to sit back and listen to experts' perspectives and join in healthy classroom discourse in a very structured dedicated environment every now and then. If you cannot physically attend courses, you may want to try online courses, such as the ones offered by Bayt.com. A Bayt.com poll on online education has shown that 39.3% of professionals in the region say

they would consider pursuing an online course, if given a chance.

WHATEVER FORMAT YOUR GROUP TAKES, IT IS BOUND TO RESULT IN SYNERGIES THAT IMPROVE AND AUGMENT YOUR KNOWLEDGE. COMPANIES AND PROFESSIONALS ACROSS VARIOUS INDUSTRY AND CAREER SPECTRUMS PARTAKE IN SPECIALIST DISCUSSIONS ONLINE, LIKE ON BAYT.COM SPECIALTIES, GREATLY EXPANDING THEIR KNOWLEDGE AND THE KNOWLEDGE OF OTHERS BY SHARING WHAT THEY KNOW.

### IV. JOIN DISCUSSIONS IN YOUR FIELDS OF INTEREST

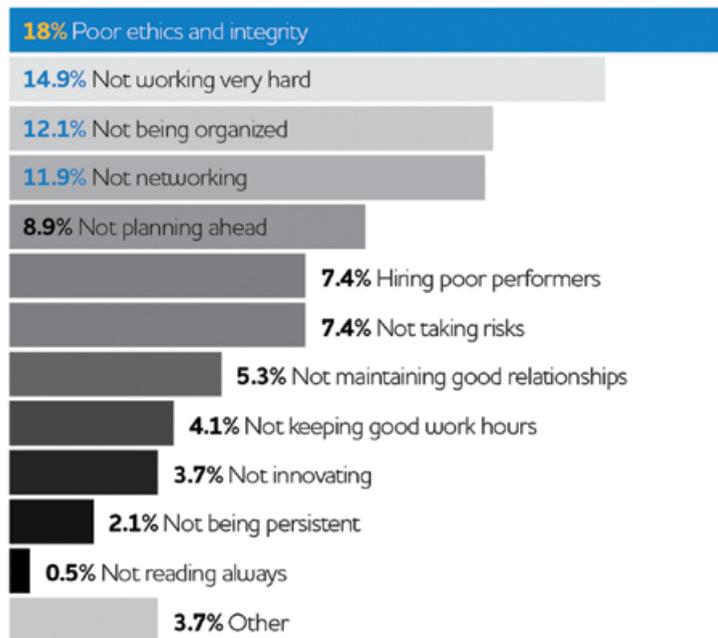
By joining a group, you will fuel your interests, challenge and reinforce your lessons, and keep the flame alive. It can be a general book club you join or a group specific to your area of interest, e.g. an engineering or entrepreneurship society, accounting forum, etc. Whatever format your group takes, it is bound to result in synergies that improve and augment your knowledge. Companies and professionals across various industry and career spectrums partake in specialist discussions online, like on Bayt.com Specialties, greatly expanding their knowledge and the knowledge of others by sharing what they know.

### A FINAL WORD

Taking charge of your own professional destiny with a unique definition of success will put you on the true path to satisfaction. For some, success may mean winning at office politics or earning a specific amount of money or even achieving a certain level of social status and prestige, but for most people, those achievements won't result in true satisfaction. Understanding what really satisfies you is the key to building, pursuing, and hopefully reaching, goals that truly matter. ■

## Factors to avoid if you want to be successful

What is the biggest career mistake a professional can make?



Lama Ataya heads the marketing department at Bayt.com and within that role is also responsible for communications, content, community experience, and corporate social responsibility. Bayt.com is the #1 job site in the Middle East with more than 40,000 employers and over 25,500,000 registered job seekers from across the Middle East, North Africa and the globe, representing all industries, nationalities and career levels.



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The Boutique 1 store in London

## CROSSING SHORES

A Middle East-born brand makes its way to London

By Ziad Matta

*“THE IDEA OF TAKING BOUTIQUE 1 OUTSIDE THE REGION HAS DEVELOPED SLOWLY OVER A LONG PERIOD. WE HAVE RECEIVED MANY REQUESTS OVER THE YEARS FROM MANY DIFFERENT PARTS OF THE WORLD TO OPEN BOUTIQUE 1 STORES BUT A COUPLE OF FACTORS FINALLY CONVINCED US TO DO SO.”*

**I**nternational brands have always flocked to the UAE and the Middle East looking to take advantage of a growing market. In the sector that we operate in, luxury fashion retail, this has generally meant brands opening stores in the Middle East, mostly as franchised operations. Over the past few decades, there have been hundreds of brands from outside the region that have opened stores in the Middle East in this manner. This influx has also taken

the form of department stores setting up here—Saks Fifth Avenue from the US, Harvey Nichols from the UK, and Galeries Lafayette from France have all opened in Dubai and other cities in the region. However, there have been only a few brands from the Middle East that have become world-class global brands, with operations across the world. The traffic here has mostly been one-way with foreign brands coming into the Middle East, and it has been very rare for Middle East brands to expand outside the region. In fact, in retail, brands from the region that have made it internationally can be counted on one hand. With this being the case, we are proud that our brand Boutique 1 is one of the few brands that were born in the Middle East, and have now successfully expanded to a market outside the region. We are not the first or the only brand to do so, but it is

still a rather rare occurrence to see a Middle Eastern brand in the shopping streets of countries outside the region.

The idea of taking Boutique 1 outside the region has developed slowly over a long period. We have received many requests over the years from many different parts of the world to open Boutique 1 stores but a couple of factors finally convinced us to do so. One of these was when international department stores opened in our home market of Dubai— we were concerned that our business would suffer. However, this never happened, and our business has grown steadily. This in turn made us realize that we could compete against these stores very effectively. If we could compete against them successfully here in Dubai, then there was no reason to think that we could not compete against these same stores in other parts of the world, even in their home countries. At the same time, when we launched our e-commerce operations in 2010, our target was to serve the region’s customers, but we quickly discovered that our products, as well as the service we offered, were equally attractive to a global audience. For example, even though we did not target these countries and did not invest in marketing to them either, the US and the UK were amongst our top countries in terms of online visitors and sales.

London was the natural place for us to expand outside the Middle East. It is a city that we are very familiar with. It is a very international and cosmopolitan city that has a mix of affluent residents and also attracts a large number of tourists— it has similarities with Dubai in this respect. The synergy between London and Dubai is also strong in other ways, with many Dubai residents having second homes in London, while many London residents are familiar with Boutique 1 through their trips to Dubai. With the UK featuring in our top three countries for our online store (without us even

Ziad Matta is the co-founder and co-CEO of Boutique 1 Group, a leading luxury fashion retailer which offers curated fashion with a distinctive point of view within a multi-brand environment including a global online boutique at [www.boutique.com](http://www.boutique.com). The Boutique 1 store network currently includes stores in Dubai, Abu Dhabi, Beirut, and a newly launched European flagship in London.

**“IF YOU HAVE A CONCEPT THAT IS TRADING SUCCESSFULLY IN DUBAI, IT IS LIKELY THAT YOU ARE COMPETING AGAINST ESTABLISHED INTERNATIONAL PLAYERS- AND DOING SO EFFECTIVELY.”**

targeting the country), the decision was easy to proceed with a store in London.

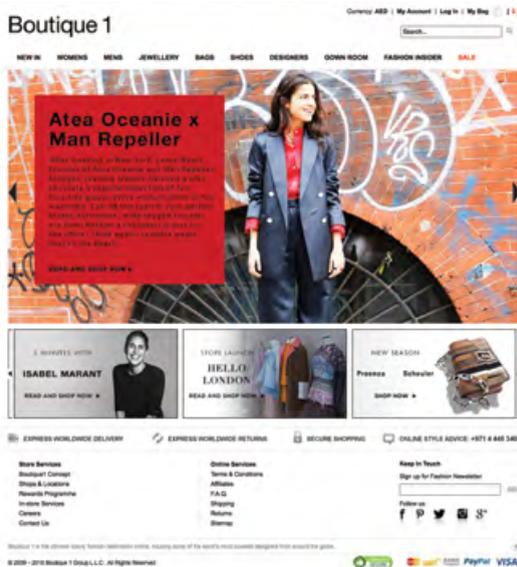
Once we decided where we wanted to go to, the next step was to secure the right location in London, a location that would enable us to attract the local clientele but also cater to the tourists visiting the city. It had to be a location that was big enough to do what we wanted to do, but not so big as to lose the feeling of a boutique, which

is central to our retail philosophy. At the same time, we needed a location that was not only right for the present, but also right for the long term. We visited countless locations, and finally settled on a new development that Cadogan Estates was building on Sloane Street near Sloane Square. In ad-

dition to the existing luxury brands in its vicinity, there were other exciting things in the pipeline in the area, including a Hotel Costes, a Belmond Hotel, and a Ray-

mond Blanc restaurant. With entrances from both Sloane Street and from the courtyard on Pavilion Road, and add to that the possibility of external seating for our café that forms part of our concept for the London store, this location really ticked all the boxes on our list.

Although London is a mature market with many established players -some may even argue that it is saturated- Boutique 1 offers a unique proposition with a compelling combination of some of the world’s most desirable brands, a clear high fashion point of view, exclusive pieces, a wide assortment >>>



The Boutique 1 store in London

*“WHEN WE LAUNCHED OUR E-COMMERCE OPERATIONS IN 2010, OUR TARGET WAS TO SERVE THE REGION’S CUSTOMERS, BUT WE QUICKLY DISCOVERED THAT OUR PRODUCTS, AS WELL AS THE SERVICE WE OFFERED, WERE EQUALLY ATTRACTIVE TO A GLOBAL AUDIENCE.”*

of fashion from denim and casual to evening gowns, plus other categories such as gifting (home accessories, books, etc.), all under one roof, but with the service and mindset of a boutique. We have also teamed up with David Waddington and Pablo Flack of the renowned restaurant Bistrottheque to create April’s, a small but perfectly formed café that is an important part of our London proposition.

A key part of our strategy is the integration between the London operation and the Middle East operations, so that customers are recognized, no matter where they shop. Customers who are members of our loyalty program can earn and redeem Boutique 1 Re-

wards Credit in all countries, as well as through their online purchases. Integration between offline and online is also key, with customers being able to click and collect, reserve items online to try on in store, and other such services.

Dubai has become a sophisticated and competitive market, and there are brands made in Dubai that could compete effectively in any market they choose to operate in. If you have a concept that is trading successfully in Dubai, it is likely that you are competing against established international players- and doing so effectively. But this does not mean that taking your brand outside the region is always the right course of action. There are great opportunities for growth within the region, so it is not always necessarily sensible to expand outside the region. The luxury fashion retail market is quite specific, and by nature of what we do we appeal to a global customer, this may not be necessarily the case for other brands/sectors. But for those who are looking to expand internationally, our experience demonstrates that it can be very rewarding. ■



The Boutique 1 store in London



Six Flags Dubai rendering

## Thrills ahead

**Six Flags Dubai** begins second phase of construction

Adding its name to the theme parks that will be opening soon under the Dubai Parks and Resorts development is Six Flags, the world’s largest amusement park corporation- and Six Flags Dubai has already started its phase two of construction on its Dubai edition. Scheduled to open in 2019, Six Flags Dubai will be spread across 3.5 million square feet, estimated to cost AED2.6 billion. It will include 27 rides in six themed zones: Thrill-seeker Plaza, Magic Mountain, Fiesta Texas, Great Escape, Great Adventure and Great America. Earlier this year, via debt and equity funding, Dubai Parks and Resorts secured AED1.68 billion of funding raised through the Rights issue, with AED993 million of that raised through debt financing from Abu Dhabi Commercial Bank, Dubai Islamic Bank, and Sharjah Islamic Bank (*Zawya*).

Six Flags Dubai will be situated alongside other destinations of Dubai Parks and Resorts: motingate Dubai, featuring characters from DreamWorks Animation, Sony Pictures Studios and Lionsgate; Bollywood Parks Dubai dedicated to showcasing “authentic Bollywood experiences”; and LEGOLAND Dubai and LEGOLAND Water Park, which will bring the LEGO brand to the Middle East through its interactive theme park and water park for families and children. The entire theme park destination will be linked together by Riverland Dubai, a retail, dining and entertainment walkway at the destination, as well as Lapital Hotel, a Polynesian-themed resort that will be managed by Marriott. And with the planned Warner Bros. World in Yas Island Abu Dhabi too (which will feature characters under the DC Entertainment umbrella, among others), it looks to be theme parks all around in the UAE. Get ready to queue up!

DUBAI PARKS AND RESORTS

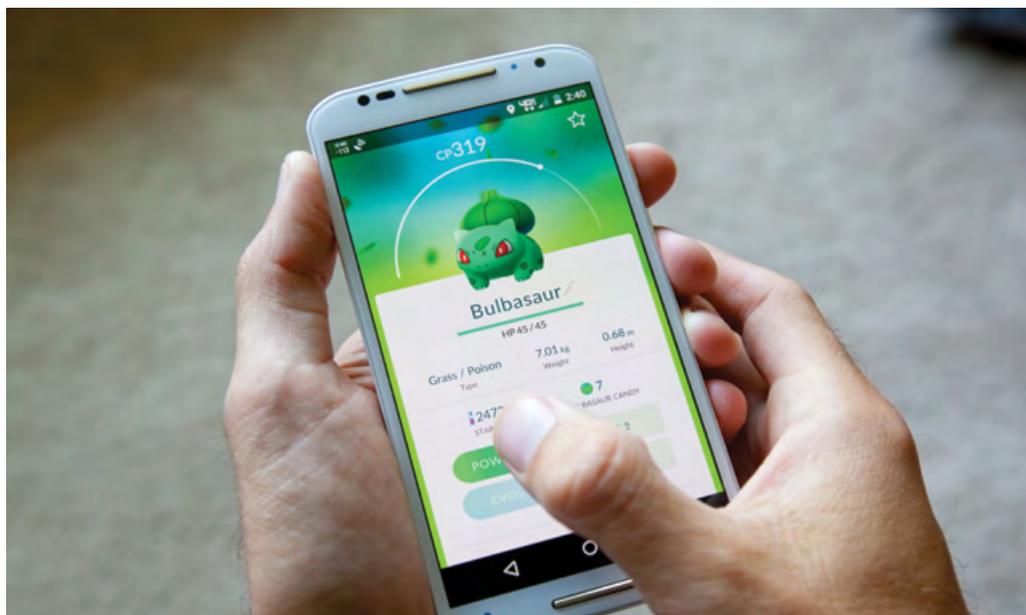


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## CASHING IN ON POKÉMON GO

Six ways MENA brands can benefit from the viral game taking over the world

By James Pass

**B**y now, you have probably already heard of Pokémon Go, the mobile game that has its players move throughout the real world to hunt for and capture digital Pokémon. With the game yet to officially debut in the region, you might consider it irrelevant to your business at first, yet companies that will be first to find a way to capitalize on the game's concept here have a great opportunity to attract and engage with current and new customers across the globe, investing just a fraction of their marketing budget. If you haven't looked at how your business can benefit from the massive cultural phenomenon, it's really about time!

Pokémon Go is one of the most important new advancements in gaming in over a decade. In less than a week after the launch, the game has experienced the same levels of daily interaction as Twitter,

Snapchat and even Facebook with people spending around 4-6 hours a day playing the game. Many companies now use the new game as a very cost effective viral marketing tool worldwide. So the question is, how can a seemingly niche mobile game benefit businesses in this particular region?

### 1. CATCH THEM ALL- AS POTENTIAL CUSTOMERS

We must admit that everything starts with exploration and research. In order to benefit from the game, first, it will be essential to understand its concept. If you have an opportunity to download and try the game yourself, or simply read and research about it online, that should be a part of your business agenda or weekend plans. As the game uses location-based algorithms to place the Pokémon around town, understanding the key landmarks such as Pokémon Gyms and PokéStops and its

whereabouts to your business would be your first step. While brands can't choose the sites for these (at least not right now), some lucky enough have found themselves on the map in the center of the players' activities- which presents an opportunity that can help them convert virtual players into real customers.

### 2. TAILOR YOUR MARKETING OFFERING

Brands around town can now engage with game users by tailoring their marketing strategy around the new augmented reality game. From capitalizing on offering free Wi-Fi to granting a giveaway for catching Pokémon, there are numerous ways brands can now

THERE ARE MANY WAYS BRANDS CAN TAKE ADVANTAGE OF POKÉMON GO TO INCREASE BRAND VISIBILITY ON SOCIAL MEDIA AND CONNECT WITH THEIR TARGET AUDIENCE ONLINE. WITH A FEW EASY STEPS, YOU CAN ENCOURAGE POKÉMON PLAYERS TO WIN PRIZES, GET DISCOUNTS OR MEET NEW FRIENDS IN YOUR STORE. JUST KEEP IT FUN AND SIMPLE, AND PEOPLE WILL COME TO YOU.

attract and engage with their customers online and offline. Shopping malls, restaurants, and small stores can use the game as part of their overall marketing strategy, by offering discounts for customers with certain Pokémon tribes, organizing meet up sessions, developing special offerings for guests. Businesses will need to think out of the box to find a way to complement their offering. For example, Dubai Metro could easily capitalize by bringing awareness of their free Wi-Fi at their stations, as well as multiple terminals across the city that allows users to find and catch new types of Pokémon without having to walk in the summer heat. If you are in an automotive industry, feel free to offer your customers "Pokémon tours" that will help catch the creatures faster.

### 3. DRIVE CUSTOMER ENGAGEMENT ONLINE

There are many ways brands can take advantage of Pokémon Go to increase brand visibility on social media and



connect with their target audience online. With a few easy steps, you can encourage Pokémon players to win prizes, get discounts or meet new friends in your store. Just keep it fun and simple, and people will come to you. Take a photo, tag, post and share—some of the simplest tactics for your customers to follow. Marketers can also advertise their campaigns on social media channels (i.e. Facebook, Instagram or even Twitter), organize educational webinars or online chats.

#### 4. BE HELPFUL

Augmented reality games can quickly “kill” smartphone batteries. Shops or telecom operators can be of help to Pokémon Go players by turning their numerous venues into “charging stations.” This will not only support the gamers and build brand loyalty, but will also increase the foot traffic to your store.

#### 5. LAUNCH SMART ACTIVATION CAMPAIGNS

If you are in the event industry or planning to launch a new product/service by yourself, you can plan it bearing in mind Pokémon players’ hot spots like Pokémon Gyms and PokeStops. You can even design creative merchandise and marketing collaterals for your guests to stay engaged.

#### 6. HOST MEETUPS AND UNITE FANS

Meetups are a great way to attract people into stores, and thus enhance brand visibility. For example, if you were lucky



to be gifted with a Gym at your location, you can host virtual battles with real awards for the winning team. For businesses that were not so fortunate to be located near game’s key hubs, there are still numerous opportunities— you just need to be more creative. Use “lure modules” and attract lovely creatures to your location. Or why not set up a food station to energize hungry Pokémon hunters with filling snacks— such options are easy and inexpensive ways of increasing foot traffic.

Being on top of viral trends is becoming essential for businesses to stand out and survive in the saturated market. Small and medium companies now have a great opportunity to build and grow their business without spending much on advertising and big marketing campaigns. Keeping customers close to your heart, following their interests, and understanding their needs allows brands to engage with target audience on a deeper level, helping your brand remain relevant and fresh.

So, how is your brand going to benefit from Pokémon Go? ■



James Pass is a passionate entrepreneur, international brand consultant and accomplished graphic design expert with 20 years of global experience. Before opening James Pass Design (JPD), he spent nearly two decades establishing himself as a lead design director at global branding agencies such as Fitch and Landor Associates. Founded in late 2012, JPD is a branding and communication agency located in Dubai’s creative hub, Sufouh Gardens.

| IN THE LOOP |

## Big deal

**ACCORHOTELS** ACQUIRES FRHI, BRINGING IN QATAR INVESTMENT AUTHORITY AND KINGDOM HOLDING COMPANY AS STAKEHOLDERS

French hospitality group AccorHotels has ramped up its hospitality portfolio with the acquisition of FRHI Hotels and Resorts (FRHI), which will see Accor operating and managing 150 hotels in the Middle East, comprising more than 45,000 rooms across the luxury and economy segments. The deal brings three reputed hospitality brands—Fairmont, Raffles and Swisotel— into Accor’s network. Accor has sealed the acquisition by entering into a stock-swap deal with two prominent entities in the region— Qatar Investment Authority (QIA) of Qatar and Saudi Arabia’s Kingdom Holding Company (KHC), both former shareholders in FRHI, who have now gained respective stakes of 10.4% and 5.8% in Accor and also been allotted seats in its Board. According to a statement on the deal, the transaction with QIA and KHC accounted for \$840 million in cash payment and issue of 46.7 million AccorHotels shares. Ali Bouzarif and Aziz Aluthman Fakhroo from QIA and Sarmad Zok from KHC

will join AccorHotels’ Board. Commenting on the deal, Sébastien Bazin, Chairman and CEO, AccorHotels, says that with “two renowned investors that are great specialists of the global hotel sector becoming new shareholders,” AccorHotels stands to gain a lot with their expertise. Representatives of both QIA and KHC Group noted that the FRHI acquisition is likely to position AccorHotels as a key player in the luxury hospitality industry and strengthen its status as a leading hotel operator. Accor expects the deal to generate “approximately €65 million in revenue and cost synergies.” The company also looks forward to expand its customer database, thanks to integration of FRHI’s customer base— that includes three million loyalty members, 75% of whom are in North America. To support the acquisition and ensure seamless integration of the FRHI Group with AccorHotels, Accor has appointed Chris Cahill as the Group’s Chief Executive Officer, Luxury Brands in a newly created role.

A rendering of AccorHotels’ upcoming properties at Jumeirah Village Triangle in Dubai, UAE



# FROM LEAN TO MEAN

## HOW TO TURN A STARTUP INTO A CORPORATE BEHEMOTH

By Neil Petch

Google started with a couple of friends tinkering around in a garage, as did Apple. Facebook started with some drunken students messing about in a dormitory at Harvard University. Not so long ago, Snapchat only had a small number of developers that could be counted in the low double digits. In 2014, WhatsApp reportedly only had 55 employees. All these trailblazers took their inspiration from Bill Gates and Paul Allen, who started Microsoft with no capital at

all back in the 1970s. These are not apocryphal stories. They actually happened. So what do these anecdotes tell us? Well, to use the manager-ese, they are examples of lean startups (although they did not know it at the time) and minimum viable products (in other words, taking an embryonic product to market and then engaging in an iterative process to evolve said product once it has been proven that there is a marketplace for it). The trendy pointy-heads out there in Silicon Valley prefer to call this low-finance approach “bootstrapping.”

The companies listed above all went through this phase and built huge user bases before moneyed venture capitalists swooped in to provide game-changing capital, critical mass and the opportunity to become “unicorns” (companies with \$1bn-plus valuations).

So how useful is the “lean startup” case study to the entrepreneurs of tomorrow? What is the methodology behind it? Where did the theory come from? And most importantly, does it work? After all, the popularity of a particular business practice or buzzword very rarely correlates with real-world effectiveness. For every unicorn, there are, after all, hundreds of thousands (if not millions) of failed companies.

Let us look back. The lean startup theory was the brainchild of serial entrepreneur Eric Ries. Having seen three promising firms fall by the wayside in the early 2000s, Ries spotted one single common denominator. He believed that all three of his failed ventures did so because: “I was working forward from the technology, instead of working backward from the business results you’re trying to achieve.”

Based on this eureka moment, Ries set about developing a new methodology for those launching a business—one that focused on getting products and services to market quickly, through what he called “hypothesis-driven experimentation, iterative product releases and validated learning.”

Essentially, Ries felt that many fledgling companies spent far too much time and money on developing a single product before launch—in many cases, only to see it fail. Under his philosophy, startups instead work on several smaller development cycles—

launching nascent MVPs, measuring their success and using feedback from early adopter customers to tailor the product to the audience already using it. Then this cycle is repeated again and again.

TO IMPROVE OUTCOMES AND ENSURE FULL ACCOUNTABILITY, THE LEAN APPROACH PUTS A LOT OF FOCUS ON HOW WE MEASURE PROGRESS, SET MILESTONES AND PRIORITIZE WORK. DOCUMENTATION AND PROCESSES ARE A NECESSARY EVIL, HENCE THE RISE OF A MYRIAD OF HIGHLY SUCCESSFUL ENTERPRISE SOFTWARE COMPANIES.

Despite only coining the term as recently as 2008, Ries has proved the theory through practical examples. His principles are now taught in business schools around the world, including Harvard, where the next Bill Gates or Mark Zuckerberg is just as likely to drop out as finish the degree. Nevertheless, despite the somewhat unhelpful establishment credentials, many agile executives such as those at Dropbox and Inuit credit the lean startup theory with helping to get their businesses off the ground. With that in mind, it is time to examine the methodology.

### METHOD IN THE MADNESS

To paint a clear picture of the concept, we must look at its five core principles:

#### 1. ENTREPRENEURS ARE EVERYWHERE

This principle is simple. Basically, anyone can be an entrepreneur. You don’t need an office in Silicon Valley or a chill-out room filled with beanbags. All it takes is the ability to think big, start small and scale fast.

#### 2. ENTREPRENEURSHIP IS MANAGEMENT

If you are an entrepreneur who wants to scale fast, then



Alphabet Executive Chairman and former Google CEO Eric Schmidt

sitting in the corner throwing out million dollar ideas is just not enough. Remember, you are starting small— that means with just you. Therefore, entrepreneurs must have the required skills to understand and implement a clear business model.

### 3. VALIDATED LEARNING

The purpose of a startup is not to provide products or services, serve customers or even make money. It is to learn how to build a sustainable business. Validated learning, then, is the process of running experiments with your product to test its worth and determine the feasibility of your vision. Through validated learning, entrepreneurs can identify and address the key risks before making adjustments to improve offerings.

### 4. INNOVATION ACCOUNTING

To improve outcomes and ensure full accountability, the lean approach puts a lot of focus on how we measure progress, set milestones and prioritize work. Without these clear and measurable metrics, progress is likely to be slow or non-existent. Documentation and processes are a necessary evil, hence the rise of a myriad of highly successful enterprise software companies (many of which themselves began as lean startups).

### 5. BUILD-MEASURE-LEARN

This is the key principle. To reiterate, the fundamental goal of a startup is to turn ideas into a viable business. The most effective way to do this is to create an MVP, measure how customers respond and then learn whether to pivot or persevere with your offering. This feedback loop should be at the heart of every business

Eric Ries, entrepreneur and author recognized for pioneering the Lean Startup movement



function, if you are to create a virtuous cycle of iteration leading to customer approval and eventually revenue.

### LEAN: FROM THEORY TO REALITY

But does all this academic theory really translate to the real world? Well, clearly it does, as the triumph of companies such as Dropbox and Airbnb goes to show. As already mentioned, Facebook too followed many of the lean startup rules. It launched early, measured success, learned and improved upon its offering quickly and frequently. And its founder is still accountable and at the heart of the company.

By finding the customer first and building second, the method removes one of the biggest pitfalls of the modern entrepreneur: market need. According to VC database CB Insights, a lack of market need is the number one reason why firms fail. The

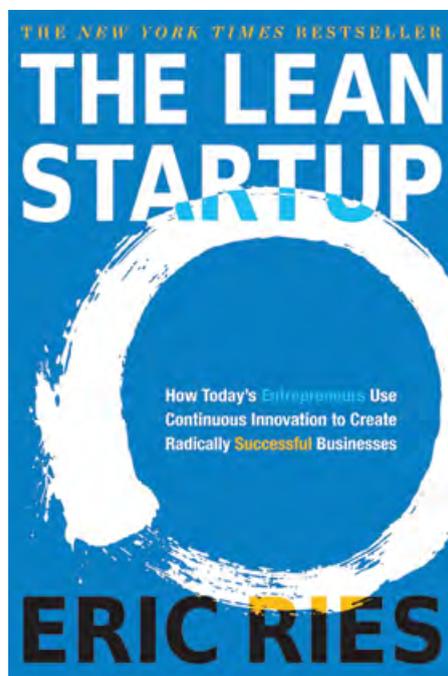
**“I WAS WORKING FORWARD FROM THE TECHNOLOGY, INSTEAD OF WORKING BACKWARD FROM THE BUSINESS RESULTS YOU’RE TRYING TO ACHIEVE.”**

lean approach circumnavigates this problem, though, by going straight to market— establishing an audience before throwing time and resources at a product that is not wanted. This method allows entrepreneurs to carry out research and development on the fly on a small

budget, once again reducing the time and cost of bringing a product to market.

In addition, the lean approach encourages entrepreneurs to pivot. This agility is invaluable. Any emerging business prodigy worth their salt will tell you that the ability to know when to >>>





taken a hit? Even if you can, for how long can you expect your customer base to grow with you when they have needs that must be met now— not tomorrow?

There is another issue as well. Very often, the market does not really know what it needs. Henry Ford, no business slouch himself, famously said: “If I had asked people what they wanted, they would have said faster horses.”

This sums up why establishing the wants of the market is not always a good starting point for a business venture.

Did people know they wanted an iPhone before they saw it in all its shiny glory? No, they did not. What is more, there is a long list of hugely successful companies that came to market in absence of any real need for their offerings— our old friends, Google and Facebook, to name but just two.

**THE BIG QUESTION: SO SHOULD YOU BE WORKING LEAN?**

The answer comes down to the type of business you run and the amount of resource you have behind you. For many entrepreneurs, the lean approach is perfect. You have got the idea, now run with it: work up an MVP, get it out there and improve it on the hop. For others —namely those bringing to market

long-term solutions to big problems— the lean approach is simply not viable. Some offerings can be worked up very quickly, others simply cannot. Doing so is only going to undermine your business in these cases.

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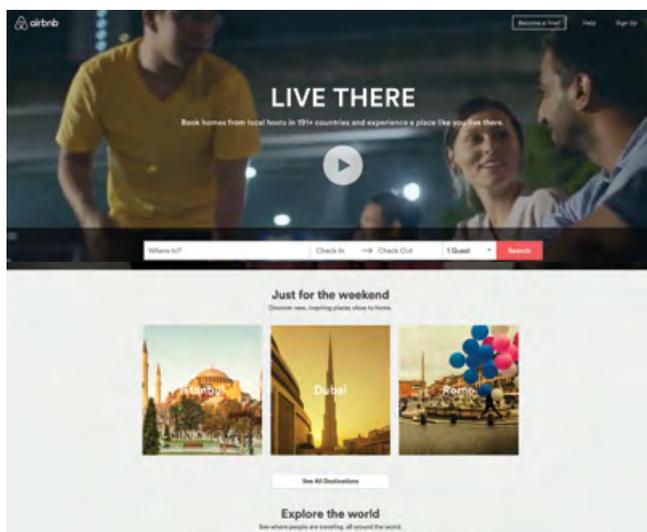
The fact is the traditional approach to product development and “go to market” strategy has been around for some time, for the simple reason that it works. Although, that is not to say any new approach should be dismissed out of hand. The lean approach has proven successful for a host of businesses across an array of industries. But, of course, it is not going to work for everyone.

One of the major criticisms

that the lean approach faces is that it treats all businesses the same —a one-size-fits-all approach— and that is worth keeping in mind. If you are the type of entrepreneur that likes to work fast then it could be for you. If, on the other hand, you feel your product needs fleshing out before it reaches its target audience, then it is perhaps worth exploring other more traditional avenues.

Bootstrapping (let’s face it, this expression sounds much more fun than “lean startup”) is producing some of the most disruptive technology companies on the planet. Once the MVP is proven, they scale at an astonishing rate. Indeed, firms like Uber and Airbnb are changing the way we live our lives; going from lean startup to corporate behemoth in the blink of an eye. Perhaps you too can create another unicorn. But if not, do not be too concerned. Your worst failure often leads to your defining success.

That maxim is as true in traditional business models as it is with lean startups. ■



Neil Petch is the Chairman of Virtugroup. Petch founded Virtuzone in 2009 before launching Virtugroup, a holding company that has a wider mandate of supporting startups from establishment; to successful market entry; and all the way through to exit. Petch is also the Chairman of DIFC-regulated GMG, established in 2010 with offices in Dubai, UAE and London, U.K., providing brokerage services for commercial and investment banks globally. His most recent venture, PrimalMD, was launched in the health sector and focuses on helping doctors addressing the root cause of illness rather than simply treating the symptoms.



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# #TAMTALKSTECH

FROM CAMERAS TO DRONES, THIS MONTH'S TECH PICKS SHOWCASE PRODUCTS THAT YOU'D WANT TO HAVE BY YOUR SIDE WHEN TRAVELING THIS SUMMER- AND YES, IT'S OKAY TO WANT THEM ALL!



Merlin Digital Hexacopter UAV

Merlin Digital Hexacopter UAV

Merlin Digital Hexacopter UAV smartphone app and 2.4GHz RF controller

## EYE IN THE SKY

**MERLIN DIGITAL** INTRODUCES NEW RANGE OF DRONES

Hexacopter UAV is a drone featuring six motors and six high-power propellers, an improvement over the standard quadcopter design. The six-axis gyroscope makes it easier to maneuver and better stabilizes the device when capturing aerial photos and videos. There are two ways to control it- use either the free smartphone app or the 2.4GHz RF controller that comes with the device. Using Merlin's Hexacopter UAV app, which connects to the drone's onboard Wi-Fi network, you can control

Hexacopter up to 50 meters. The built-in camera lets you shoot live, real-time videos and save pictures directly to your smartphone. The 2.4GHz radio frequency controller has three speed control options -Slow, Medium, and High- allowing you to fly the way you want under different flying conditions. It includes precise ascend/descend, forward/backward, and roll/tilt functions on a simple interface. Hexacopter UAV is compact, easy to store and simple to use, making it the perfect eye in the sky.



## PICTURE THIS

### PANASONIC LAUNCHES LUMIX GX85

Panasonic introduced its new DSLM (Digital Single Lens Mirrorless) camera, the LUMIX GX85, which shoots vibrant, high quality images using a new 5-axis Dual Image Stabilizer and an electromagnetic shutter drive. LUMIX GX85 records high-resolution 4K video with 8 MP photo extraction and captures 4K photos using three exclusive modes including 4K Burst, 4K Burst (Start/Stop), and 4K Pre-burst. Even better, LUMIX

GX85 enables 4K Live Cropping during video recording. It also integrates Wi-Fi connectivity for instant image sharing. Once you connect the camera to a smartphone or tablet, installing the Panasonic Image App is simple and allows you to shoot, browse and share images remotely. For even more creative photography, the LUMIX GX85 integrates a new L. Monochrome mode, which produces pictures with rich gradation like that of a B/W film. The other new additions are Focus Bracket and Aperture Bracket, which allow you to choose your best shots after you've taken them. LUMIX GX85 packs a host of advanced technologies in a light and compact body, which means you'd want to take it wherever you go.



Panasonic LUMIX GX85

## STORE IT

### MY PASSPORT WIRELESS BY WD

Let's face it: deleting photos is no fun, and sometimes downright heartbreaking. But now there's a way to keep all of your memories intact with My Passport Wireless—the wireless drive for all of your devices. Free up space on your tablet and smartphone by backing up or transferring your photos and videos from your SD card (this device has a built-in slot for that), and keep on clicking! It's wireless, portable, and has up to six hours of continuous video streaming, and up to 20 hours of standby time. My Passport Wireless can also act as a Wi-Fi hub to share an Internet connection with multiple

devices. Who could ask for more? Whether you're a professional photographer, a hobbyist or simply a casual clicker, My Passport Wireless is an ideal travel companion.

WD My Passport Wireless



### #TAMTALKSTECH

Tamara Clarke, a former software development professional, is the tech and lifestyle enthusiast behind *The Global Gazette*, one of the most active blogs in the Middle East. *The Global Gazette* has been welcomed and lauded by some of the most influential tech brands in the region. Clarke's goal is to inform about technology and how it supports our lifestyles. See her work both in print regional publications and online on her blog where she discusses everything from how a new gadget improves day-to-day life to how to coordinate your smartphone accessories. Visit [www.theglobalgazette.com](http://www.theglobalgazette.com) and talk to her on Twitter @TamaraClarke.



## 'TREP'S CHOICE

### THE NEW JAGUAR XE IS TRUE TO FORM

It has been billed as "the most advanced, efficient and refined sports saloon car that Jaguar has ever produced," and while that may well be the case, the XE continues to stay true to the distinctive design and dynamics for those of you who note its structure's similarity to that of a jaguar, crouching and ready to pounce—offers the choice between the 2.0 liter 4-cylinder turbocharged diesel (180PS) engine from Jaguar's Ingenium range, and the 2.0 liter

4-cylinder turbocharged petrol (200PS) and 2.0 liter 4-cylinder turbocharged petrol (240PS) engines. While powerful performance is a given, the XE also offers an optional Configurable Dynamic system, which allows the driver to set up dynamics for throttle mapping, gearbox shift points and steering to suit their performance driving needs. Add to that the luxurious leather finishing in the XE's interior (which can be personalized too, by the way), and one can rest assured of a ride that's as comfortable as it is powerful. [www.jaguar-me.com](http://www.jaguar-me.com)

# 'TREP TRIMMINGS THE EXECUTIVE SELECTION

**F**rom better goods to boardroom wardrobe bests, each issue we choose a few items that make the approved executive selection list. In this issue, we present the gentleman's guide to anti-aging skincare, a summer style checklist, and some wrist candy that you can get away with at the office.

## Wear it your way

'TREPS SUMMER STYLE CHECKLIST *By Tareq Samara*

Fashion changes every season, and there are a lot of things coming in and going out of the fashion world. With all of these shifting trends, choosing what to wear can be a difficult task. Here are five fashion ideas for men in line with summer's runway trends:

**1. BRIGHT COLORS**  
Whether it be tops or bottoms, bright clothing colors are always timely in the heat of summer. You'll look and feel fresh, and bright colors absorb less heat, giving your skin plenty of room to breathe naturally while on the move.

The bright colors trend also applies to shoes; black leather loafers are not ideal for the summer months. It's time for a change!

**2. LINEN SHIRTS**  
One of the best fabrics of summer, a good linen shirt is pretty much as comfortable as you can get in the heat. Choose a bright colored, fine linen, button-up shirt and pair it with shorts or chinos and a pair of lightweight canvas shoes. Bam, you're ready!

**3. POLO SHIRTS**  
Also known as the tennis shirt, a polo shirt is what we all have been wearing for as long as most of us can remember. A fitted polo shirt can be one of the most versatile items you have in your closet. When purchasing a polo, ensure that the sleeves are fitted. Pair your bright polos with anything from chinos to jeans to shorts.

**4. FLAT SHORTS**  
A pair of simple, good quality flat front shorts can be mixed and matched with all of your separates. You can wear a button-up shirt with these shorts, and top off the look with your favorite pair of casual sneakers.

**5. SLIM-FIT CHINOS**  
When paired with a properly-fitted shirt, chinos can be the trendiest type of slacks in your wardrobe. Chinos can also be worn casually, when matched with trendy canvas sneakers. Opt for these pants when heading for a summer lunch or casual dinner; you'll welcome the cooling effect.

And just because it's hot out, doesn't mean you're going to skip accessorizing. Add a whimsical touch to solid colored outfits with pocket squares, bracelets or interesting cufflinks.

[www.boxknocks.com](http://www.boxknocks.com)

Tateossian SS16 cufflinks



## EDITOR'S PICK HIGH ROLLERS

Tateossian's newest range is a lot of fun. Pick up the chess-themed cufflink set for yourself, and for gifts, pick up the casino-inspired pair. Roll the dice, or play a little game of pinball... We guarantee that being at the office will be so much more engaging with these SS16 whimsical pieces. [www.tateossian.com](http://www.tateossian.com)



## KEEPING TIME BREMONT BOEING 100

Bremont's co-founders, Nick and Giles English, both pilots and entrepreneurs, kept their eyes on the skies, and of course, those who owned the skies. In 2014, the fine watchmaker partnered with

one of aerospace's best-known names: The Boeing Company. The result? The Bremont Boeing 100, a range of titanium timepieces with highlighted minute markers and exhibition case backs. [www.bremont.com](http://www.bremont.com)



Bremont  
Boeing 100

## Improving the skin you're in

A gentleman's guide to anti-aging products

### WHY DO I NEED TO USE A MOISTURIZER?

Moisturizer serves a number of purposes. Primarily, you can expect to have a hydrated and supple facial and shaving area if you consistently apply a good quality moisturizer. When your face and shaving area are hydrated, this leads to an overall better shave, and your skin actually looks healthier and brighter. Ideally, your moisturizer should have a number of benefits other than hydration, like radiance enhancement or anti-aging properties. If you're in your early 20s, a brightening moisturizer can help give you an energized and healthy look. For gentlemen 30 and above, you're going to



Clarins for Men  
Line Control Balm  
and Line Control  
Eye Balm

look for an anti-aging moisturizer that both addresses and prevents things like fine lines and encourages lifting.

### WHY DO MY EYES NEED A SEPARATE PRODUCT?

There are specific creams formulated specifically for the zone surrounding the eye. The skin in the eye area is much thinner than the rest of the skin on your face, and requires a formula that is both tested for that sensitive zone and has eye-specific benefits.

### WHAT DO I NEED TO DO?

The best way to go about skincare for men is by starting simply—once you master the basics, you can get into a more complex routine if you feel the need to do so. Twice daily, you'll need to begin by cleansing the skin gently. The temperature of the water should be lukewarm,

not hot, and a small amount of cleanser should be used. On a cleansed skin, apply a thin, even layer of moisturizer all over the face and the shaving area, and a small amount of eye cream to the orbital bone of both eyes. If you opt for an aftershave, you can forgo moisturizing your shaving area or you can layer your moisturizer on top. The last tip works best for men with dry skin. Oilier skin requires a specific moisturizer that can also have mattifying and oil-control benefits.

### WHAT SHOULD I TRY?

The Clarins for Men Line Control Balm for Face and the Clarins for Men Line Control Eye Balm. Ophthalmological and dermatological testing has rendered the Eye Balm safe for use, and the eye area will appear brighter, less puffy, and fine lines and wrinkles will gradually appear smoother. [www.clarins.com](http://www.clarins.com)

## The *Esquire Guy* on how and when to give advice

(Hint: it's not as simple as you think)

By Ross McCammon

**T**he first step in giving advice is: do not give advice. Listen instead. The advice-seeker must establish:

1. The problem and why it's important.
2. Possible solutions. (The seeker needs to have done at least as much work as he's asking you to do.)
3. Why you're appropriately positioned to help.

"The presumption of expertise is a natural impulse. They asked me for advice, ergo I must know something about that subject!" says David Garvin, a Harvard Business School professor and co-author of the *Harvard Business Review* paper *The Art of Giving and Receiving Advice*. "Unfortunately, often that's not the case. So the thing to do is make sure you're well-positioned and have sufficient expertise and knowledge to be the advisor in the first place."

Do you actually have experience with a similar problem? Maybe the answer is no. If that's the case, then you should direct the advice-seeker to someone else.

Things might even end there. That may be the only thing the seeker

really wants out of the interaction. "Sometimes it's hard not to interrupt and say, 'Oh! I know this! I can help you,'" says Jessica Livingston, co-founder and partner at the Y Combinator accelerator. "Even though you may be thinking, it's taking a long time for them to tell me the half-hour-long buildup to the problem, sometimes they need that half-hour-long buildup because it's a really traumatic thing that they haven't been able to talk to anyone else about."

Sometimes people asking for advice don't actually want any. They just want someone else to help shoulder the burden. They want their problem out in the open, so they can deal with it.

### AND NOW FOR SOME ADVICE ON ADVICE

The second step is: give information. According to research conducted by Reeshad Dalal, an associate professor at George Mason University, and Silvia Bonaccio, an associate professor at the University of Ottawa's Telfer School of Management, there are four types of advice.

### KEY TECHNICAL MATTERS

When asked to offer advice, first, do not offer advice. Instead, listen. And then, listen some more.

When the advice seeker has stopped talking, continue to listen.

You are not doing it right unless it is awkward.

You are listening for clues that will help you know if you are the right person to be giving advice, because you might not be.

In which case, you should point out someone who is.

(Which is very good advice.)

Don't tell the advice-seeker what to do.

Being direct is not a virtue.

Instead, ask questions- not only to help you understand the problem, but to help them to understand the problem.

The problem might not be a problem at all.

It might be a mere situation. Could be just a condition.

Maybe it's only a thing.

A thing does not require advice.

If you deem the situation advice-worthy and yourself mentor-worthy, then speak energetically.

Motivate as much as you direct and instruct.

Use motivating language like: "You're not the first person who's had this dilemma." And: "The problem is not as complicated as you think." And: "I can't wait to find out what you have decided."

Avoid negative language, like: "I was once like you."

Or "This is important, because?" Or "Sorry, I nodded off. I was sleep-listening."



STAY FOCUSED ON THE SEEKER'S PROBLEM, ASK QUESTIONS AND THEN OFFER SOME PATHS FORWARD. GIVING GOOD ADVICE ISN'T ABOUT SOLVING A PROBLEM; IT'S ABOUT MAKING THE PROBLEM EASIER TO UNDERSTAND. IT ALSO INVOLVES ENCOURAGEMENT TO ACT.



**4. Decision support.** (“You should talk to your wife about quitting your job. She might have some opinions on the matter. Consider inviting your children as well.”)

THE MAIN THING IS: DON'T PROVIDE ANSWERS. AND DON'T SAY WHAT YOU WOULD DO, WHICH SOUNDS HELPFUL, BUT IS ACTUALLY SELF-CENTERED AND MOST LIKELY IRRELEVANT. TALK ABOUT A SIMILAR SITUATION YOU'VE DEALT WITH IN YOUR PERSONAL LIFE, BUT TELL THE SEEKER THAT YOUR ADVICE IS A PARABLE, NOT A PATTERN. (NOTE: AT NO POINT SHOULD YOU SAY: “I WILL NOW DELIVER UNTO YOU A PARABLE.”)

When Dalal and Bonaccio asked what kind of advice subjects wished to receive, they consistently preferred being provided with information about one or more options (as opposed to being advised to “do this” or “don’t do that”).

The problem is that delivering information requires time and thought. It’s a lot easier to speak in platitudes about how to come to a decision or to just recommend a specific action. Researchers who have studied giving and receiving career advice have shown that advisors tend to evaluate a decision according to a single attribute or dimension. (“If you leave your job, you won’t be making any money.”) But advice-seekers are weighing a decision against *many* dimensions.

The main thing is: don’t provide answers. And don’t say what you would do, which sounds helpful, but is actually self-centered and most likely irrelevant. Talk about a similar situation you’ve dealt with

in your personal life, but tell the seeker that your advice is a parable, not a pattern. (Note: at no point should you say: “I will now deliver unto you a parable.”)

Says Garvin: “Our tendency is to say, ‘That reminds me of XYZ.’ Well, sometimes the resemblance is accurate, but more often it’s superficial, and you need to go deeper to find out whether the analogy has legs, or whether the situation the person is facing is fundamentally different in important respects.”

Instead, stay focused on the seeker’s problem, ask questions and then offer some paths forward. Giving good advice isn’t about solving a problem; it’s about making the problem easier to understand. It also involves encouragement to act.

“The mark of the best advisors is that people leave their meetings not only with clarity and direction but with energy in their step— a refreshed or renewed sense that there’s a path forward, a feeling they can conquer the problem,” Garvin says.

The great secret of advice is that its value is not in direction but in information and motivation. When offering advice, inform more than you advise. And listen more than you talk. Talking presumes that you have the answer. But you don’t have the answer: they do. Your job is to help them find it.

Which brings us to the third and final step: walk out and don’t look back. Not them. *You*. You have your own problems. ■

See this article in its entirety at [entrepreneur.com](http://entrepreneur.com)

**1. Advice for.** (“Walk out of here and don’t look back.”)

**2. Advice against.** (“Don’t walk out of here. What are you, crazy?”)

**3. Information.** (“Here’s some information about what it’s like to not have a job.”)

## DOS AND DON'TS

David Garvin and Joshua Margolis, professors who wrote the *Harvard Business Review* article *The Art of Giving and Receiving Advice*, say good advice involves the following:

- › Finding the right fit
- › Developing a shared understanding
- › Crafting alternatives
- › Converging on a decision
- › Putting advice into action

Giving advice should not involve:

- › Overstepping boundaries
- › Misdiagnosing the problem
- › Offering self-centered guidance
- › Communicating poorly
- › Mishandling the aftermath

And it should definitely not involve:

- › Taking responsibility for the seeker’s eventual action. “Both the decision and the consequences are [the advice-seeker’s],” Garvin stresses, “not yours.”



## The downside of work-life balance

How understanding The Four Burners Theory can help you become successful *By James Clear*

One way to think about work-life balance issues is with a concept known as The Four Burners Theory. Here's how it was first explained to me. Imagine that your life is represented by a stove with four burners on it. Each burner symbolizes one major quadrant of your life.

1. The first burner represents your family.
2. The second burner is your friends.
3. The third burner is your health.
4. The fourth burner is your work.

The Four Burners Theory says that "in order to be successful you have to cut off one of your burners. And in order to be really successful you have to cut off two."

### THREE VIEWS OF THE FOUR BURNERS

My initial reaction to The Four Burners Theory was to search for a way to bypass it. "Can I succeed and keep all four burners running?" I wondered.

Perhaps I could combine two burners. "What if I lumped family and friends into one category?"

Maybe I could combine health and work. "I hear sitting all day is unhealthy. What if I got a standing desk?" Now, I know what you are thinking. Believing that you will be healthy just because you bought a standing desk is like believing you are a rebel because you ignored the fasten seatbelt sign on an airplane, but whatever.



The Four Burners Theory by James Clear

Soon I realized I was inventing these workarounds because I didn't want to face the real issue: life is filled with tradeoffs. If you want to excel in your work and in your marriage, then your friends and your health may have to suffer. If you want to be healthy and succeed as a parent, then you might be forced to dial back your career ambitions. Of course, you are free to divide your time equally among all four burners, but you have to accept that you will never reach your full potential in any given area.

Essentially, we are forced to choose. Would you rather live a life that is unbalanced, but high performing in a certain area? Or would you rather live a life that is balanced, but never maximizes your potential in a given quadrant? What is the best way to handle these work-life balance problems? I don't claim to have it figured out, but here are three ways of thinking about The Four Burners Theory.

### OPTION 1 OUTSOURCE BURNERS

We outsource small aspects of our lives all the time. We buy fast food so we don't have to cook. We go to the dry cleaners to save time on laundry. We visit the car repair shop so we don't have to fix our own automobile.

Outsourcing small portions of your life allows you to save time and spend it elsewhere. Can you apply the same idea to one quadrant of your life and free up time to focus on the other three burners?

Work is the best example. For many people, work is the hottest burner on the stove. It is where they spend the most time and it is the last burner to get turned off. In theory, entrepreneurs and business owners can outsource the >>>



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work burner. They do it by hiring employees.

Parenting is another example. Working parents are often forced to “outsource” the family burner by dropping their children off at daycare or hiring a babysitter. Calling this outsourcing might seem unfair, but -like the work example above- parents are paying someone else to keep the burner running while they use their time elsewhere.

The advantage of outsourcing is that you can keep the burner running without spending your time on it. Unfortunately, removing yourself from the equation is also a disadvantage. Most entrepreneurs, artists and creators I know would feel bored and without a sense of purpose if they had nothing to work on each day. Every parent I know would rather spend time with their children than drop them off at daycare.

Outsourcing keeps the burner running, but is it running in a meaningful way?

**OPTION 2**  
**EMBRACE CONSTRAINTS**

One of the most frustrating parts of The Four Burners Theory is that it shines a light on your untapped potential. It can be easy to think: “If only I had more time, I could

make more money or get in shape or spend more time at home.”

One way to manage this problem is to shift your focus from wishing you had more time to maximizing the time you have. In other words, you embrace your limitations. The question to ask yourself is, “Assuming a particular set of constraints, how can I be as effective as possible?”

For example:

- Assuming I can only work from 9am to 5pm, how can I make the most money possible?
- Assuming I can only write for 15 minutes each day, how can I finish my book as fast as possible?
- Assuming I can only exercise for three hours each week, how can I get in the best shape possible?

This line of questioning pulls your focus toward something positive (getting the most out of what you have available), rather than something negative (worrying about never having enough time). Furthermore, well-designed limitations can actually improve your performance.

Of course, there are disadvantages as well. Embracing constraints means accepting that you are operating at less

than your full potential. Yes, there are plenty of ways to “work smarter, not harder” but it is difficult to avoid the fact that where you spend your time matters. If you invested more time into your health or your relationships or your career, you would likely see improved results in that area.

**OPTION 3**  
**THE SEASONS OF LIFE**

A third way to manage your four burners is by breaking your life into seasons. What if, instead of searching for perfect work-life balance at all times, you divided your life into seasons that focused on a particular area?

The importance of your burners may change throughout life. When you are in your 20s or 30s and you don’t have children, it can be easier to get to the gym and chase career ambitions. The health and work burners are on full blast. A few years later, you might start a family and suddenly the health burner dips down to a slow simmer while your family burner gets more gas. Another decade passes and you might revive relationships with old friends or pursue that business idea you had been putting off.

You don’t have to give up on your dreams forever, but life rarely allows you to keep all four burners going at once. Maybe you need to let go of something for this season. You can do it all in a lifetime, but not at the same damn time. In the words of Nathan Barry, “Commit to your goal with everything you have- for a season.”

For the last five years, I have been in my entrepreneurship season. I built a successful business, but it came with

costs. I turned my friends burner way down, and my family burner is only running halfway.

What season are you in right now?

**WORK-LIFE BALANCE:**  
**WHICH BURNERS HAVE**  
**YOU CUT OFF?**

The Four Burners Theory reveals an inconsistency everyone must deal with: nobody likes being told they can’t have it all, but everyone has constraints on their time and energy. Every choice has a cost. Which burners have you cut off? ■



**‘TREP TALK ME**

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**THE ‘TREP**

Managing Partner and CEO  
Rabee Abu Kishek

**Q** You launched the business with your wife as your business partner: what are your tips on working together as co-founders?

**A** “Divide roles and responsibilities from the start! Supporting each other is also important, as inevitably with any entrepreneurial venture, the business will go through some rough patches, especially early on. Stick to it and keep believing in your goals. Celebrate success and take time off work to spend quality time as a family.”



James Clear writes at [JamesClear.com](http://JamesClear.com), where he uses behavior science to share ideas for mastering your habits, improving your health, and increasing your creativity. To get useful ideas on improving your mental and physical performance, join his free newsletter [JamesClear.com/newsletter](http://JamesClear.com/newsletter). To have James speak at your entrepreneurial event contact him [jamesclear.com/contact](http://jamesclear.com/contact)



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Mai Medhat, co-founder and CEO, Eventtus with President Barack Obama, Facebook CEO Mark Zuckerberg and other entrepreneurs at GES 2016

# The newsmaker

EVENTTUS CO-FOUNDER AND CEO **MAI MEDHAT**

HOW THIS EGYPTIAN ENTREPRENEUR BUILT A STARTUP AND WENT ON TO SHARE A STAGE WITH US PRESIDENT BARACK OBAMA AND FACEBOOK CEO MARK ZUCKERBERG

By Sindhu Hariharan

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**B**eing recognized at public places and fielding requests to pose for selfies doesn't typically figure in every entrepreneur's wish list, but there's no denying that such a recognition can do wonders to the acceptance of entrepreneurship in any society. Egyptian entrepreneur Mai Medhat, who is the co-founder and CEO of

Eventtus, admits to have realized this after her tryst with fame at Global Entrepreneurship Summit (GES) 2016 in June this year. It would have been quite hard for anyone following the Middle East entrepreneurship space to have missed the moment when the Arab world was propelled into the spotlight as Medhat shared the stage with US President Barack Obama, Facebook CEO Mark Zuckerberg, and other entrepreneurs at GES 2016 in Silicon Valley.

As I sit down for a chat with Medhat, it's clear to me that the attention that's been coming her way rests partly uneasy on her, and she admits to haven't processed all of it yet. "Someone at

the mall recognized me, and it happened at the airport too, when people wanted to click a selfie with me- all this is very new to me," she explains bashfully. But she does reiterate that being

*"THE EGYPTIAN MARKET IS LARGE. IT'S VERY NORMAL TO GO TO AN EVENT AND FIND 5,000+ ATTENDEES, AND SO, IT IS A GOOD PLACE TO VALIDATE AND TEST THINGS," SHE SAYS. SHE ALSO MENTIONS THAT EGYPT OFFERS WANNABE ENTREPRENEURS THE SPACE TO CORRECT THEMSELVES AND PIVOT, AND WITH NUMEROUS QUALITY EDUCATIONAL INSTITUTIONS IN THE COUNTRY, FINDING TALENT ISN'T TOO HARD EITHER.*

## WHAT IS GES 2016?

The Global Entrepreneurship Program is an initiative launched by US President Barack Obama from Egypt in 2009, when he declared his government's intention to host annual Summits on entrepreneurship to forge ties between the business world in the US and countries around the world. GES 2016, hosted at Silicon Valley, is the seventh edition in a series previously hosted by the US, Turkey, UAE, Malaysia, Morocco, and Kenya. At GES2016, starting with a quip on how he will have to wait another six months to appear in public wearing a T-shirt like Zuckerberg, Obama went

on to reveal how the Summit has, since its inception, helped 17,000+ entrepreneurs "connect with each other, access capital, find mentors, and start new ventures" over the years. He applauded efforts of tech companies "committing to make their technology workforces look like America," noting companies' moves to publish data on diversity. While acknowledging the complexities plaguing policymakers in promoting open social platforms ("which can also empower some bad people"), he noted that blocking information flows is not the answer, as it then gets hard to foster an entrepreneurial culture.

at GES 2016 was a "great experience," meeting hustlers from across the globe, which made her realize how entrepreneurs everywhere in the world are fighting the same battles. She considers her presence onstage as a sign that "the [Middle East] region has all the capabilities and skills [as other nations], [and] we just need to dream big, go there and achieve it." From a personal standpoint, Medhat is also glad that her presence helped put the focus on "the region, its startups, and their potential."

A technology entrepreneur, Medhat started to dream big while at college, and is today "on a mission to mobilize events" with Eventtus, a web platform and mobile app for events planning, networking and ticketing. Having been friends for over a decade, classmates in college, and partners on most university projects, Medhat and co-founder Nihal Fares always dreamt of building something together and running a business. Medhat recalls the days when the duo would be huddled over a "livestream of TechCrunch events," or obsessively following every

development in the startup world. "We used to attend a lot of events and exhibitions, and we always felt that there is a gap," Medhat remembers. This hit them more clearly in the case of events in the entrepreneurship space (where most attendees aim to network with one another and make business connections), where they faced difficulties recognizing delegates and connecting

with them. This was the moment Medhat and Fares understood that there was a problem here that technology could address.

Deciding that the issue merited their full-time focus, they quit their jobs as software engineers, and started Eventtus in 2012, developing a basic web version as a concept that they could validate with event organizers. The rest, as they say, is history. Since then, Eventtus has grown from feature to feature—launching its app, working with more than 800 organizers, and creating and e-managing 8,000+ events. They have gone from attending conferences to creating a product managing the very events they went to—ArabNet Digital Summit, Step Conference, RiseUp, and Dubai Expo 2020 are

among the regional events using the app today. If the numbers and client portfolio doesn't amaze you, consider that Eventtus launched at a time when even the term "startup" was quite alien to Egypt, and an enabling environment was almost non-existent with very few mentors and no accelerators. Ask Medhat how they managed this feat, and all you get is positivity. Despite the challenges, she prefers to talk about how Egypt nurtured their growth. "The Egyptian market is large. It's very normal to go to an event and find 5,000+ attendees, and so, it is a good place to validate and test things," she says. She also mentions that Egypt offers wannabe entrepreneurs the space to correct themselves and pivot, and with numerous quality >>>

*EVENTTUS HAS GROWN FROM FEATURE TO FEATURE—LAUNCHING ITS APP, WORKING WITH MORE THAN 800 ORGANIZERS, AND CREATING AND E-MANAGING 8,000+ EVENTS. THEY HAVE GONE FROM ATTENDING CONFERENCES TO CREATING A PRODUCT MANAGING THE VERY EVENTS THEY WENT TO—ARABNET DIGITAL SUMMIT, STEP CONFERENCE, RISEUP, AND DUBAI EXPO 2020 ARE AMONG THE REGIONAL EVENTS USING THE APP TODAY.*



Mai Medhat, co-founder and CEO, Eventtus with President Barack Obama at GES 2016

educational institutions in the country, finding talent isn't too hard either.

Listening to Medhat talk excitedly about Eventtus' journey, I realize that she is perhaps a good example of the popular belief that you don't need to go to a B-School to excel as an entrepreneur. A long pause greets me when I quiz Medhat about her transition from a software engineer to a CEO. "It was very hard and very challenging," she admits slowly- but the way she handled the challenge should serve as a good lesson for every aspiring entrepreneur. "We try things, we learn; if it doesn't work, we try another way, and [ensure] we don't commit the same mistake again," she says. She also gives credit to an aspect of her personality that helped her in growing the business. "I never get tired and I am not afraid to go to mentors and ask them about any-

*"I AM A PERSON WHO RECOGNIZES THAT THOUGH I MAY HAVE THE TECH BACKGROUND AND COMPLETE KNOWLEDGE OF MY PRODUCT, I NEED TO LEARN BUSINESS MANAGEMENT, AND I WENT AHEAD AND LEARNED IT. I AM NOT AFRAID."*

thing," she explains. "I am a person who recognizes that though I may have the tech background and complete knowledge of my product, I need to learn business management, and I went ahead and learned it. I am not afraid." The importance of mentorship is also a factor she stresses on. "These [mentors] are people who have done it before, they have the experience. They work with a lot of startups and they see it repeated everywhere," she says. For Medhat, support even came from her friends and peers in the ecosystem- people she says she could just reach out

to whenever she needed assistance and advice.

Medhat follows the same strategy in managing her team. Believing in a transparent and supportive workplace, she says: "Culture is everything." In fact, the startup has a team-fit interview as part of its hiring process, which every candidate needs to clear. "We always try to hire people smarter and better than us. You can always learn engineering and technical aspects, but it's more important to look for people who can contribute to the company's culture." Another way Eventtus ensures a quality product is

by making developers attend a few of the client events and learn about customer experience first-hand. "It's important for developers to see how people use the tool," she says. "They can then relate to it better." Medhat says Eventtus constantly iterates the product, and is now working on features supporting the generation of analytics, for organizers to measure the return from events. In terms of expansion, while the Middle East remains a focus in the short term, their ambitions include building a base in European markets too.

In order to achieve the scale Eventtus envisions for itself, Medhat counts fundraising as one of the priorities in the near future. Having secured a seed funding of US\$175,000 from Vodafone Ventures and Cairo Angels in November 2013, Eventtus then raised an undisclosed amount from >>>



Mai Medhat, co-founder and CEO, Eventtus with President Barack Obama, Facebook CEO Mark Zuckerberg and other entrepreneurs at GES 2016



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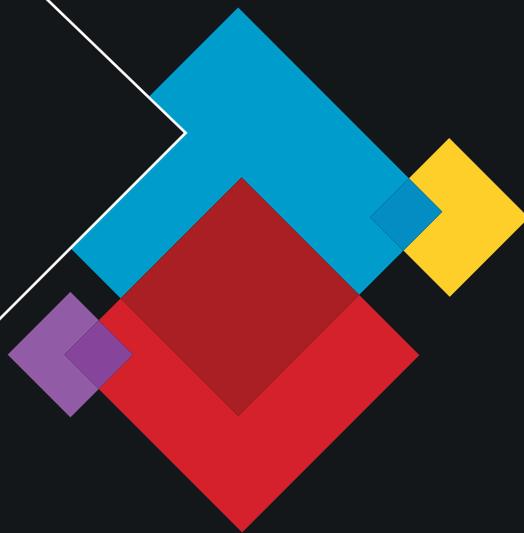


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**'TREP TALK ME****MAI MEDHAT** CO-FOUNDER AND CEO, EVENTTUS**ON GETTING TO THE STAGE AT GES 2016**

"I registered online to be an attendee at GES 2016, just like all other people. I got my acceptance, and I flew from Dubai to San Francisco only as an attendee. Then, just three days before the event, when I was there, I got an email from one of the organizers that they wanted to meet with me, and understand Eventtuss' journey, as they found it interesting. I met them on a Tuesday for a casual chat about Eventtuss, and I could see that they were quite impressed. The next day, I was told that I would be on stage with POTUS [President of the United States] and Mark Zuckerberg!"

**ENTREPRENEURSHIP IN EGYPT**

"I would say we have all the separate ingredients for success [in Egypt], but we need to bring it all together. We need more success stories that can inspire. We have the consumer base; we have the technology. What we need is more investments and collaboration between corporates and startups. Here in Dubai, you can find corporates using products and services from startups- the spirit is there. It's harder to achieve that in Egypt. We need more trust in startups and startups also need to dream bigger in terms of branding and marketing.

There are many startups from Egypt such as Instabug, Kijamii, Integrate and Wuzzuf- they all have great products and [are] grow[ing]

their businesses rapidly and [have] managed to get regional and global reach."

**BEING A WOMAN IN TECH**

"I have seen various reactions when going in front of people as a woman entrepreneur. I have seen people who are interested, and also people who don't take you and the product seriously. Honestly, I hate being labeled as a female entrepreneur. It's very hard to start and run a venture-launch a product, gain customers, attend meetings and meet investors, it's hard for everyone, and more so, if you don't have the required skills and qualifications. It's the same for male or female entrepreneurs. When it comes to funding, no one will give you money unless you prove that you can do something- applies to males and females. I feel what we should focus on is making more girls learn [to work with] computers. My class had a 70-30 [ratio in terms of] female population, and we clearly have more girls learning tech in the region's universities. The problem is the gap that's created after that. We need more awareness and spotlight on women in tech. For instance, we need to see a situation where women engineers who have all the skills conduct technology workshops."



Mai Medhat,  
co-founder and CEO,  
Eventtuss



leading regional investors MEVP and Raed Ventures (Saudi Arabia) in early 2016. Medhat believes that Egypt's funding scene lacks a crucial middle ground between angel investors and large VCs. "There is a gap in the funding, especially in the seed round- say a gap between EGP100,000 and EGP5 million," she explains. This is one of the reasons, she says, Eventtuss has expanded to UAE- to reach out to a broader variety of investors. Medhat has also learnt a few key lessons from her fundraising experience: "Do your homework and chase investors who are interested in your industry, because they will be more valuable to you than any other investor," she notes. She also stresses on the need for both founders and investors to be aligned with the vision of the enterprise- it's not just about financial stability.

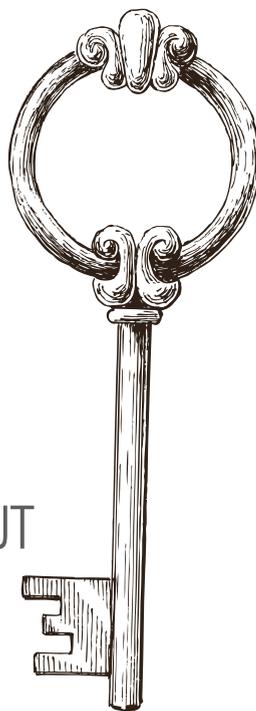
Social media is another tool that helped Eventtuss grow at such a rapid pace. Medhat says their biggest breaks can be attributed to the brand awareness they possessed, engaging with ecosystem partners on social media. A chance meeting with an acquaintance that connected her to founder of STEP Conference resulted in Eventtuss bagging one of its biggest clients today. "They [STEP]

had already heard about us, because we used to engage with them on social media whenever we launched a new feature," she explains. Looking ahead, the founder's presence at GES can certainly do wonders to Eventtuss' prospects, and in fact, it already has. Medhat says that Eventtuss is in preliminary talks with many potential clients they met at GES that may translate into actual business opportunities. She also claims to have noticed other impacts from the much-talked-of event. "We found that we were trending on the app store for three days after that [GES]," she says. "The number of users and requests we got after, we are still filtering all of that to understand the ROI." Here, my curiosity gets the better of me, and I can't help but grill her again about how she feels about all the attention. "It's a mixed feeling," she confides. "Though I am still trying to get used to the attention, it makes me happy to think that people [entrepreneurs] may feel a sense of hope when they see me there and dream big." And that's something the region's ecosystem can definitely use- success stories that help entrepreneurship go mainstream, inspiring future generations with resourceful ideas. ■

# THE MODUS OPERANDI

## SIX THINGS INVESTORS LOOK OUT FOR BEFORE ACQUIRING AN ENTERPRISE

By Nadim Majdalani



**M**aking an acquisition can be an attractive proposition for many reasons, whether it is driven by the synergies between two companies, or simply to eliminate the competition. As an investor, there are steps you must take to analyze the impact of an acquisition on your existing business. For our company eathos' recent acquisition of SushiArt, our team followed six steps that ultimately led to the decision to welcome the brand into our existing portfolio of franchises.

### 1. DOES THE BRAND FIT?

Firstly, you should analyze how the brand fits with your high level strategic objectives and the other brands that make up your existing portfolio. Our company, eathos, focuses on fast casual and casual dining restaurants as they have the highest scal-

ability potential, so the first and most important thing is to ensure that the brand you are looking at falls within these segments, and does not directly compete with any of your existing brands, for diversification purposes. Additionally, we had specifically targeted the sushi segment, given the increasing consumer focus on the freshness and healthiness of their meals.

### 2. IDENTIFY A MOTIVATED AND REASONABLE PARTNER

Establish early on that you are dealing with a rational seller, experienced or well advised, and with reasonable valuation expectations. It can be a fantastic product or service, but if you can't get to terms with the existing owners of the business, there is no point in pursuing the opportunity any further. When buying a franchise there are additional moving parts that can add a layer of complication. The

transaction usually involves three different parties: the buyers, the sellers and the owners of the franchise, who need to vet their new franchisee. In this situation, making sure all parties are aligned early on is key.

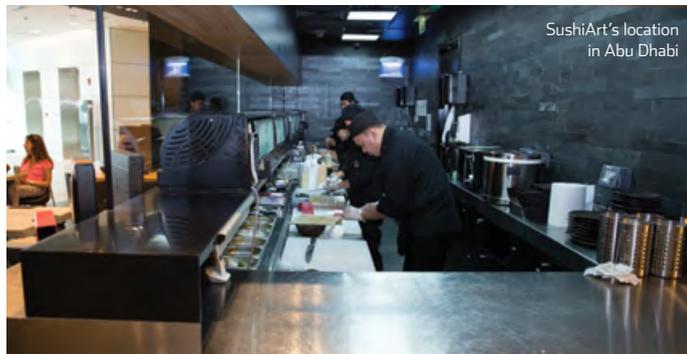
For our acquisition of SushiArt, after reviewing high-level financial information, the first thing we did before diving into a detailed due diligence exercise, was to agree on the purchase price with the sellers of the franchise. We then asked to be introduced to the franchisor to confirm they were fine

with eathos becoming their franchisee in the Middle East, and renegotiate some fundamental terms of the franchise arrangement.

### 3. SHOWCASE PROOF OF CONCEPT

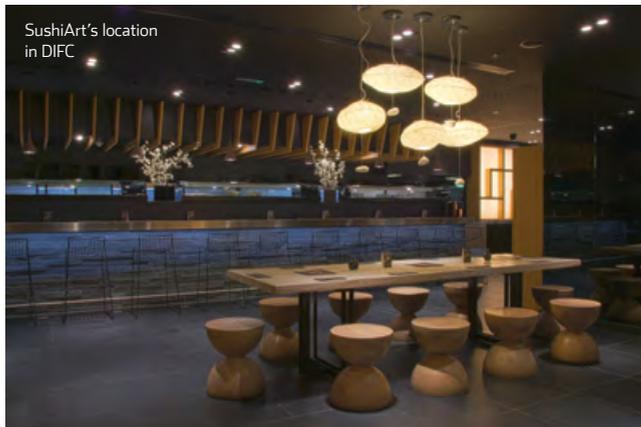
This sounds obvious, but it is essential and has to be analyzed the right way. You must look deeply into the brand, and ascertain proof of concept. From a financial perspective, this is usually done by analyzing the revenues, profitability and return on investment across multiple locations, and the underlying growth of the business. SushiArt opened four locations ahead of eathos acquiring it, all of them being profitable, with the more mature location still exhibiting double-digit growth. This is quite impressive in the current trading environment, and shows that the concept can be successful across different types of locations, whether they are office clusters or tourist destinations, in both Dubai and Abu Dhabi.

It is also important to take the vantage point of the consumer and hear what they have to say about the brand and their competitors. Not so long ago, this used to be quite a lengthy and expensive task that involved running surveys or focus groups, but consumer ratings have now become much



SushiArt's location in Abu Dhabi

IMAGES COURTESY SUSHIART



SushiArt's location in DIFC

more transparent, thanks to websites like Zomato and TripAdvisor, which allow us to easily assess the quality of the product and customer service in comparison to direct competitors.

IT IS NOT SUFFICIENT TO HAVE A SCALABLE CONCEPT- YOU ALSO NEED TO MAKE SURE THAT THE COMPANY IS ADEQUATELY EQUIPPED TO SEIZE THE GROWTH OPPORTUNITIES. DO YOU HAVE THE RIGHT STANDARD OPERATING PROCEDURES, MANUALS AND RECIPES IN PLACE TO PROFITABLY GROW THE BUSINESS?

#### 4. SCALING THE BUSINESS

If the concept has been proven successful, we then need to look at its potential to scale, and whether there is room for expansion, in its home market or regionally. Taking F&B as an example, fine dining tends to be less scalable, as so much of the concept and the attraction is related to the uniqueness of the venue or an individual chef, whereas casual dining outlets can expand much faster.

We believe that right now, the biggest opportunity for growth in the GCC for the F&B sector is the Saudi Arabia market, due to its size

and relatively less competitive landscape as compared to the UAE. SushiArt, thanks to its flexible multi-format concept and the combination of a strong dine-in business and a state-of-the-art home delivery operation, is very well positioned to reach significant regional scale in the coming years, and this was certainly a decisive factor in our investment decision.

#### 5. READINESS TO SCALE

It is not sufficient to have a scalable concept- you

also need to make sure that the company is adequately equipped to seize the growth opportunities. Do you have the right standard operating procedures, manuals and recipes in place to profitably grow the business? Having all of these in place frees you from having to rely on a few key people, and one of the advantages of the franchise model is that the ground work has already been laid out, and these types of processes are already in place. From there, you can slightly adjust for local market specificities if needed, and proceed smoothly.

#### 6. LOOK AT THE HUMAN CAPITAL

We have built eathos with the objective of hiring top-level professionals, and we have the same objective with the brands we acquire. It is important to look at the people you're hiring, and if they fit the existing work culture. Are they retainable, and can

you offer them opportunities to grow within your organization? At SushiArt, we have found a young and motivated team, and we were able to retain all staff members.

Finally, just a few words directed to professionals who happen to be on the other side of the table. If you are a brand owner looking to raise capital to grow your concept, you should be very diligent in selecting the right partner, keeping in mind the longevity of the relationship. It is important not to just focus on who is going to pay the most upfront, but rather on who is going to be there and supportive in the long term, who will understand the challenges you are facing on a daily basis, and who will contribute to the growth of the business. Although difficult, relinquishing some control to a professional value-add partner may be the best decision for long-term value creation. ■



SushiArt's location in Abu Dhabi



Nadim Majdalani is the Chief Financial Officer and Business Development Director at eathos. Nadim is one of the founding members of eathos. He previously spent nine years with the global firm Quilvest Private Equity, with a concentration on deal sourcing, execution and post-acquisition support in the F&B/restaurant sector. During his tenure, Nadim worked closely with a number of portfolio companies including YO! Sushi, supporting them in a range of strategic, financial and operational activities. Nadim holds a MBA from Harvard Business School, MS from Stanford University and BE Hons. from the American University of Beirut.



## Understanding the VC business model

By Dany Farha

Firstly, we need to address the business model of venture capital (VC), and in doing so, dispel the myth that VC is a “gamble,” where we invest and hope for the best. The business model of more traditional investment asset classes such as private equity and asset management is governed by the mathematical concept of outperforming on a normal distribution graph. That means that most investments end up slightly below or ahead of the mean/median, and those investors that outperform an index, end up with a slightly higher weighting of their investments to the right of the mean/median. In VC, our business model is governed by the “power law”: what this means in essence, is that out of every ten early-stage investments, around two will create all the returns and the rest will underperform by generating little to no returns. Once this concept has been understood, it is then easier for our investors

to understand our business model.

We are in the business of taking calculated risks investing in strong entrepreneurial teams. The other key mathematical driver to understanding our business model is that we invest in <1% of the deals that we see every year. That means if we see 1000 deals,

which we are on track to see this year, we will invest in <10 deals at the early stages. It is worth noting that we have waited four years for the MENA ecosystem to grow and mature to a level whereby we will see 1000 deals this year. The final mathematical concept for investors to understand is that of “discipline,” which is the discipline we have to maintain in only following on with further funds in those teams who demonstrate strong execution amongst other business drivers.

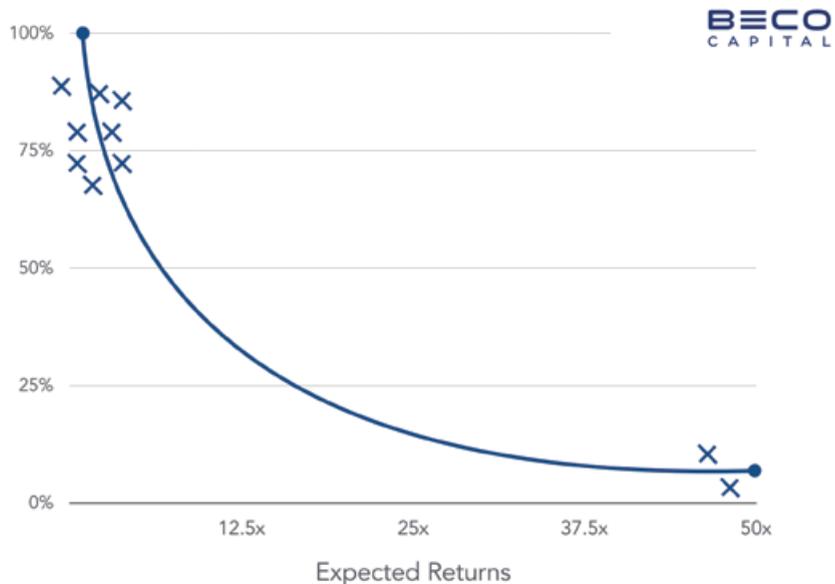
### HOW THE DEAL FLOW WORKS

Top quartile VC funds generate strong returns of >30% internal rate of returns (IRRs). The top one percentile, meaning those that generate better returns than 99% of their peers, generate outstanding returns of 70%, and even 90% in some cases. These top one percentile firms invest in 0.5% of the deals they see, have three or

four companies generating multiple times the entire size of the vintage in question, and a small proportion of their dry powder goes to the investments that don’t perform, in some cases as little as 20%, which comes down to a rigorous and disciplined approach to deploying follow-on funds.

These top one percentile firms receive the best deal flow which comes down to having a team of partners who hail from entrepreneurial backgrounds, being ex-founders matched by functional experts, who work tirelessly to grow their ecosystem and specifically their portfolio companies. We at BECO have configured ourselves accordingly and are building out a family of mission-driven entrepreneurs and functional experts to make a significant impact in finding and funding the best teams to build large businesses that can make a tremendous impact on our region and make it a better place to live and work.

Expected Returns by BECO Capital



Dany Farha is the co-founder and CEO at BECO Capital, a venture capital firm that provides early stage growth capital and hands-on operational support for technology companies in the MENA region with a focus on the GCC. Farha has a 20-year track record in the region as a successful serial entrepreneur and investor. A graduate from UCL in London in Management Sciences and Finance, he currently sits on the board of the Propertyfinder Group and several other portfolio companies.

GRAPH COURTESY BECO CAPITAL

## WHY YOUR MISSION MATTERS

This brings us to the next extremely important matter: mission. We believe that the best entrepreneurs are mission-driven which drives them with the passion required to obsess about solving a big problem, no matter how hard things get. We ourselves at BECO are mission-driven. Our mission is to leapfrog our region to participate in the technological revolution that is upon us and is only going to accelerate over the coming decades.

We believe that investors have bought into our vision, mission and strategy, and once on board, they will support us when they can, but broadly, they give us the freedom to execute. We have a strong fiduciary obligation to our shareholders and with this ensure a very high level of governance around keeping our shareholders updated on our progress. We do this by sending out regular business updates, newsletters, detailed semiannual and annual reports, audited financial statements, and we organize an annual general meeting where we present the past, present and future with detailed updates from the BECO team, portfolio companies and the professional service providers that we work with to produce accurate and high quality reporting. All this is supported by a very high quality board of directors, who meet at least quarterly and work tirelessly to steer, ensure shareholder value creation and accountability through a strong best in class governance framework.

This is no different to what we as investors expect from our portfolio companies and hence, we lead by example, and expect the same excellence. ■

IMAGES COURTESY BMW GROUP



Representatives of the three companies with the BMW i Vision Future Interaction car

## RIDE INTO THE FUTURE

### BMW, MOBILEYE, AND INTEL TEAM UP TO BUILD SELF-DRIVING CARS

A new contender has joined the race to bring out autonomous cars on urban roads. Automotive giant BMW Group, chip manufacturer Intel, and machine learning firm Mobileye have signed a partnership to manufacture a fully autonomous self-driving car. According to a statement, the companies will jointly develop required systems to bring self-driving vehicle BMW iNEXT into production by 2021. "The BMW iNEXT model will be the foundation for BMW Group's autonomous driving strategy and set the basis for fleets of fully autonomous vehicles, not only on highways but also in urban

environments for the purpose of automated ridesharing solutions," BMW says in the statement. While BMW will bring in its automotive expertise, Mobileye will contribute with its machine-learning and sensor capabilities, and Intel will provide the technology framework required to make connected cars.

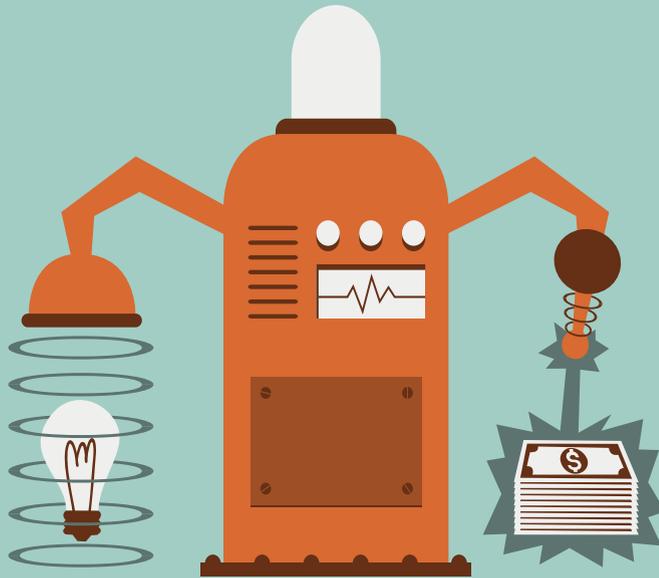
Recognizing the need for end-to-end solutions to achieve complete automation in cars, the trio aims to set an industry standard and define "an open platform for autonomous driving." Addressing a gathering at the BMW's headquarters in Munich in July, the company representatives said that the iNEXT model would

be capable of achieving "level 3 to level 5" of self-driving, and the technology will also be made available to other auto manufacturers at a later stage. In self-driving vehicle parlance, level 3 refers to a stage that enables drivers to not only take their hands off the steering wheel, but also achieve "eyes off." Level 4 refers to taking the "mind off," meaning drivers can use their time in the car for leisure or work. Level 5, the final stage, signifies a car navigating the roads without any human driver.

Though the announcement comes at a time when a fatal crash in July of a Tesla Autopilot technology car has raised questions on the safety of self-driving cars, BMW, Intel and Mobileye are "convinced that automated driving technologies will make travel safer and easier." In recent years, buyers are placing increased emphasis on the technological features of a car while buying, leading to a rise in collaborations between auto companies and tech firms in car manufacture. Manufacturers such as Audi, General Motors, Daimler and others, have all announced plans to be a part of the driverless cars wave, and tech giants like Google and Tesla have made notable progress.



Intel CEO Brian Krzanich, Harald Krüger, Chairman of the Board, BMW, and Mobileye co-founder, chairman and CTO Professor Amnon Shashua



## Easier said than done

CROWDFUNDING YOUR STARTUP? BE PREPARED TO WORK FOR IT *By Erica Werneman*

**M**ost startups I know in Europe and the US have used some form of crowdfunding as part of their funding and marketing strategies. There are a lot of good reasons for this, and I'm sure crowdfunding will increase in popularity in the Middle East over the coming year. But, at the same time, let's not fool ourselves: crowdfunding is not as easy as creating a profile and then watching the money roll in. In fact, I'd say it is probably one of the most time-consuming ways you can use to raise funds, and a badly prepared campaign will do

more harm than good. We successfully completed our Kickstarter crowdfunding campaign for Tibba, a peer-to-peer skill-sharing platform for small businesses and freelancers in June, and it was a massive learning curve. There were midnight calls to the Kickstarter support center in New York when the video on our campaign page stopped working, messages from various people that tried to pledge but couldn't get through the payment gateway, hundreds of emails from PR companies that threatened the failure of our campaign if we didn't enlist their services, and on the top of it all, we also had to continue to actually work on building our business as well. Keeping that in mind,

here are some insights from our crowdfunding experience that, hopefully, could be of help to you and your enterprises as well.

### WHAT IS CROWDFUNDING?

Crowdfunding platforms like Kickstarter and Indiegogo allow you to test the potential demand for a new product, before you actually start manufacturing it. Contrary to what most people think, don't consider it as just a way to fund your company. Think of it instead as a way of creating your first minimum viable product (MVP), and to see if people really want what you're offering. Once you gauge that interest, then you can go look for bigger funding sources.

### HOW MUCH SHOULD YOU RAISE WITH YOUR CROWDFUNDING CAMPAIGN?

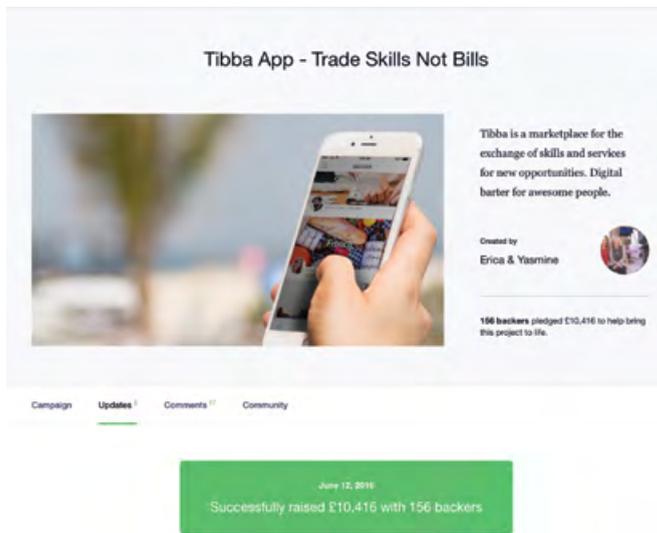
Don't just pick a number that *sounds* good- it has to be reasonable and

achievable. It's better to have a lower figure and get overfunded, than not reach your target at all. After all, Kickstarter is an all or nothing game- if you don't reach your target, you don't get anything. We picked a relatively low figure that we were sure we would be able to reach. You can always add stretch goals later.

### IT'S ALL ABOUT PREPARATION

If your idea of crowdfunding is to put together a campaign and then hope for the best, then rest assured that it isn't going to pan out the way you want it to. Organizing a crowdfunding campaign is a lot of hard work, and it will take months to prepare. Take a look at the successful campaigns. They are pretty slick, right? That should be the standard you're competing against. The campaign has to be visually appealing and contain the right information, but that's actually the final stage of the process. The hard part is getting people to actually visit your page.

Contrary to popular imagination, crowdfunding platforms aren't full of kind-hearted individuals or early adopters looking for their next purchase. From our analysis, we had to pull around 96% of all pledges to the site ourselves. Kickstarter supplied a paltry 4% of pledges (the US\$1 kind) and they took close to 10% of our funds (with all the transaction fees)- yes, it's a pretty good business for them! Unless you become a "Staff Pick" or something similar, you can safely assume Kickstarter will do nothing at all to promote you, and thus, you become solely responsible for pulling all the traffic to your page. And in the end, you then get



CROWDFUNDING PLATFORMS LIKE KICKSTARTER AND INDIEGOGO ALLOW YOU TO TEST THE POTENTIAL DEMAND FOR A NEW PRODUCT, BEFORE YOU ACTUALLY START MANUFACTURING IT. CONTRARY TO WHAT MOST PEOPLE THINK, DON'T CONSIDER IT AS JUST A WAY TO FUND YOUR COMPANY. THINK OF IT INSTEAD AS A WAY OF CREATING YOUR FIRST MINIMAL VIABLE PRODUCT (MVP), AND TO SEE IF PEOPLE REALLY WANT WHAT YOU'RE OFFERING.

to pay Kickstarter commission for the pleasure as well. (I'm not bitter!)

So, with that in mind, you've got to get really serious about marketing your crowdfunding campaign. We've posted a lot more detail on our blog about our marketing campaign (including templates of emails and our overall strategy), so if you're interested, do check it out at [www.gotibba.com/blog](http://www.gotibba.com/blog). For those of you that prefer a summary or an overview, consider the following:

## 1. FOCUS ON MARKETS THAT MATTER

It's so easy to waste hours on something that looks cool but yields no result at all, so be strategic about your efforts. Besides friends and

family, who would actually pay for your product right now? At the end of the day, Kickstarter lets you pre-sell your items to an audience before you actually manufacture the items, so don't waste time on marketing strategies that don't target the right people. An article in a niche magazine with readers that would love your product is a lot better than a national newspaper. It's cool seeing your name in print, yes, but remember that today's newspaper is tomorrow's garbage. Digital lives on. Focus on digital sources, rather than print media.

## 2. PREP AND AUTOMATE

Don't do ad hoc responses to everyone, or rewrite the

same email a million times. If you are approaching bloggers or writers in a specific area, then spend your time on a great template email that can be personalized according to the circumstances, rather than rewriting the same thing each time. If you're super prepared, you can do a whole folder of responses and emails, and then ask friends and family to help out. If it's all at their fingertips, then it's a lot easier to delegate.

## 3. GET ENGAGEMENT FROM YOUR NETWORK

Identify the connections or influencers you already have in your own personal network. An introduction from a friend is a lot likelier to get you an article than a cold email (not least because if they ignore you, there is always the awkward possibility of running in to you at a social event. Or your friend. Awks). Find out how you are connected to the people you want to reach (try LinkedIn or Facebook), and don't be shy about reaching out to people.

Next, get your ten closest friends, and ask them to think of ten other people that would be interested in your product, and then ask them for introductions. Set

up a Facebook event with a countdown to your launch. Get all those people to commit to sharing your news and updates (and to pledge at least \$1 each). People like to follow trends and to back a winner. Before you launch, you should already know that you'll reach at least 20% of your target in your first 24 hours. If you can't even get your friends to back your project, then you're in trouble! If all your friends are behind it, you're on to a winner!

## FINAL THOUGHTS

We found out (too late) that digital products and apps in particular tend to do rather poorly on crowdfunding platforms. It took a lot of work for us to hit the target, and, to be honest, in hindsight, I'm not sure it was worth the hassle. There are far easier ways of getting cash, and we've had far more successful marketing campaigns. That said, it's done, we got what we needed, and we really learnt a lot from the experience. The best thing is that it forced us to get out there and start connecting with our community. We've had a lot of really cool (and useful) introductions come out of the campaign (albeit indirectly), and a number of investors approached us following the successful completion of our Kickstarter campaign— to them, it's a sign of credibility and future demand.

So, if you go for a crowdfunding campaign, then *really* go for it. Crowdfunding can give your startup a real boost, but nothing worth having ever comes easy, and crowdfunding is no exception. ■



Erica Werneman is the co-founder of Tibba, a marketplace and payment solution that combines cash and barter in a dual-currency approach. Tibba's ambition is to provide a global payment alternative that is sustainable and non-debt driven. In the spirit of sharing, Erica and her co-founder Yasmine Akermark regularly speak at events and always welcome questions on everything from fintech, the sharing economy, running a startup and women in tech. Contact them on [hello@gotibba.com](mailto:hello@gotibba.com).



## EMPOWERING THE FUTURE

### THREE WAYS TO PROMOTE YOUTH PARTICIPATION IN THE MENA REGION

By Soukaina Rachidi

**A**s a young person in the 21st century, I find it very difficult to understand why there is such a resistance, be it conscious or subconscious, to including youth in our major socio-economic and development institutions. According to a UNDP report entitled *Enhancing Youth Political Participation throughout the Electoral Cycle* published in 2012, people between the ages of 15 and 25 represent one-fifth of the world's population. However, the average age of parliamentarians globally is 53. If such a substantial percentage of the world's population is below the age of 25, why isn't this reflected in our "institutions of change"?

According to *The Deloitte Millennial Survey 2016*, "millennials feel underutilized and [believe] they're not being developed as leaders and they "often put their personal values ahead of organizational goals." This thus leads them to shun potential employers and assignments that represent contradictory values. As Daniel H. Pink shares in his book, *A Whole New Mind*, "abundance, Asia, and automation"

have changed the way that millennials conceptualize the world and their role in it- a reality that is pushing them to leave "conventional" institutions that don't accommodate their values to join or create ones that do.

If we want to promote safe, productive and sustainable societies, we have to stop punishing youth with narratives that cite them as "the root of all our problems." Unfortunately, a lot of the time, young people feel that it doesn't matter what they do, because when they aren't being chastised for being "lazy" or "complacent," they are usually being undermined by development rhetoric that makes them feel like an unwelcome nuisance. We have to stop referring to the future of the MENA region as a "youth bulge" or a "public policy challenge," especially when their desire to be impact-driven leaders isn't being welcomed or rewarded by most of our social and economic institutions.

If we aren't creating institutions, policies and narratives that enable our youth to become the leaders of the future, what are we doing? The widespread inclusion of youth in the MENA region, and beyond, can no longer be a point of contention or debate. The youth of today are the citizens, business

leaders and social influencers of tomorrow, and if we are not empowering them to join our social, political and economic frameworks, then we are condemning these institutions to failure and irrelevance. Regardless of whether you're an innovator in the startup world or the corporate world, we all have a responsibility as a community to "activate" our youth, and use their "abundance" to drive our social and economic growth.

Here are three things that you can start doing to empower the future of tomorrow in your startup or corporation.

#### 1. ESTABLISH PARTNERSHIPS WITH LOCAL EDUCATIONAL INSTITUTIONS

The World Economic Forum recently identified cognitive flexibility, negotiation, service orientation, judgment and decision-making, emotional intelligence, coordinating with others, people management, creativity, critical thinking and complex problem-solving skills as the top ten skills that will be needed for professionals to thrive in the workplace by 2020. Do startups and corporations know what each of these skills are, and why they are vital to the workplace? If they do, what are they doing to prepare the existing and future workforces to acquire these skills? One of the recurring complaints that I hear in the business sector, especially from startups, is that there's a mismatch between their needs and the skills available in the MENA's talent pool. While this may be true, it's also true that startups and corporations in the region haven't really been taking ownership of their part of the solution.

If the business world wants to be able to recruit talent that meets their needs, then they have to be willing to partner with educational institutions at all levels, and invest in initiatives that will get young students on the "right" track to succeed in their workplaces. I'm not asking startups or corporations to reform the entire educational system- all I'm suggesting is that they help facilitate human capacity-building opportunities that will ultimately serve their long-term growth- and ours. Whether they help



Soukaina "Soukie" Rachidi is the founder and author of the *Soukie Speaks* blog. Before becoming a full-time writer, Soukaina was the Media Relations Coordinator at Melltoo Marketplace, a dynamic Dubai startup, where she was responsible for forging new partnerships with like-minded entrepreneurs in the Middle East startup scene. [soukiespeaks.com](http://soukiespeaks.com)

by developing university curricula or by hosting capacity-building workshops at high schools, the business world needs to take a more proactive role in molding and investing in the educational institutions that are producing their future workforce.

## 2. MAKE YOUTH EMPOWERMENT A CORE BUSINESS VALUE

Considering that the MENA region's youth unemployment rate is the highest in the world, it should be every business' moral responsibility to have youth empowerment be a part of their DNA. By 2025, it is estimated that millennials will make up 75% of the

workforce, and eventually, the entire future customer base as well. So, it is in the best interest of entrepreneurs, who are just starting their journey, to establish sustainable ventures that integrate flexible HR policies, continuing learning and educational reform as a part of the "bedrock" of their enterprise. On the other hand, it is necessary for the world's biggest corporations to start evolving their vision, work cultures and CSR efforts, so they can retain their millennial employees and remain relevant in the current market.

Whether they're aligning, or re-aligning company values to incorporate

more "youth-friendly" ones, startups and corporations need to seize this unique opportunity to consult young people and involve them in the transformation process. In addition to involving youth in the transformation process, there are also various international organizations and NGOs that can help startups and corporations structure and optimize their youth empowerment efforts. The Office of the UN Secretary General's Envoy on Youth is a great resource for anyone who wants to learn more about what is going on in the "world of youth empowerment" and find ways to support the amazing young "movers and shakers," who are already addressing the globe's various development challenges through the UN's 17 Sustainable Development Goals.

## 3. USE YOUR VOICE TO MAINSTREAM YOUTH CONCERNS

Last, but certainly not the least, many businesses underestimate how simple and cost-effective empowering youth can actually be. Many startups, and most corporations, have thousands, if not millions of followers, on their social media accounts. They also have digital marketing and social media experts with the knowledge and budgets to get their message across to any audience in the world. So, imagine if Starbucks decided to do an Instagram feature on young female managers every week, highlighting the need for gender equality and decent work opportunities in the region? Imagine if Samsung used Snapchat to highlight the innovative work that young Arab entrepreneurs are doing with their technology? Every business, no matter how big or small, has the ability to change the way they allocate their resources, so they can use their voice to promote youth empowerment efforts that are also lucrative for their brand.

Another way that businesses can empower youth is to voice their concerns at international conferences and industry events. Unfortunately, even when an event is about youth empowerment, there is very little youth representation. With that in mind, more business influencers need to push industry event planners to make youth participation and issues a priority on their agenda. On the other hand, if businesses are hosting their own events, they should commit to inviting youth >>>



to attend these events, so they can directly provide our community stakeholders with the insight they need to create a better future. Regardless of the size of an event, where it is hosted or who is hosting it, startups and corporations need to start using their social influence to promote youth concerns, so they can become a mainstream voice in our international and business development discourse.

At the end of the day, I think it is important to highlight that young people don't expect members of the business world to invest with no return. They're merely asking startups and corporations to align and optimize their internal policies and "bottom line" with the interests of youth. In an earlier *Deloitte Millennial Survey* published in 2014, research found that "[w]hile most Millennials (74%) believe business is having a positive impact on society by generating jobs (48%) and increasing prosperity (71%), they think business can do much more to address society's challenges in the areas of most concern." So, the youth aren't as negative or apathetic about the formal workforce yet. However, if businesses don't change now, this might not always be the case. If startups and corporations start to champion the cause of youth capacity building, not only will they become pioneers in transforming the workforce on a global level, they will also create a generation of loyal employees, brand ambassadors and clients.

However, if the business sector continues to overlook young people's professional and personal needs, they run the risk of alienating their future consumers, or much worse. As a young educated person, it is infuriating to hear people refer to youth's legitimate request to create "ecosystems of success" for all as "entitlement." But, for all intensive purposes, they're right. Young people in the MENA region are entitled to be a part of institutions that enable them to access relevant education and decent working conditions that allow them to live with dignity and purpose. We're not asking for charity, and we're not asking for anyone to lower their standards. All we're asking is that the stakeholders of our communities create spaces for us to participate, so that we can create a more sustainable, profitable and ethical future together. ■



A session in progress

## Bridging Lebanon's skills gap

SE Factory launches bootcamp for tech graduates

Zeina Saab, CEO, The Nawaya Network and co-founder, SE Factory always used to wonder why even though large numbers of computer science students graduated in Lebanon each year, they were not securing appropriate employment in the industry. That's why Saab and Fadi Bizri (formerly MD of Bader Young Entrepreneurs Program and now Partner at B&Y Venture Partners) decided to jointly create SE Factory (a joint initiative between Nawaya and Bader Young Entrepreneurs Program) to upskill tech enthusiasts and graduates of the country to meet the requirements of tech companies today. SE Factory is structured as a three-month coding bootcamp to provide underprivileged and low-income youths with employment and entrepreneurship opportunities.

Speaking about the motivation for the initiative, Saab says, "We thought we needed to establish a practical coding program that allows computer science/engineering students from all backgrounds and socio-economic levels to benefit from an opportunity to take their skills to the next

level, and become highly employable within a very short period of time."

Launched in March 2016, SE Factory's pilot batch saw 43 students apply for the bootcamp, from which eight aspiring tech entrepreneurs were picked for the program. Asfari Foundation, Bank Audi, Bank Al Mawarid, and Berytech were the sponsors for the first batch. From an online shift scheduling tool to manage team tasks and schedules, to a web application that promoted recycling of waste in households, to an e-platform for freelance workers and other such projects, the students used the camp to develop their ideas and also showcase them at the conclusion of the camp. "It [SE Factory] literally changed my way of thinking about a lot of things, not just in coding," says Hassan Salem, one of the participants. "It improved my soft skills and passion to learn and developed my skills in every single moment, thus it has changed a big part of my personality," he adds. [www.sefactory.io](http://www.sefactory.io)



SE Factory Demo Day



**GLEE**  
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SOLUTIONS

## THINK NEW HOSPITALITY CONCEPTS, THINK GLEE!

With the evolving nature of the hospitality industry, particularly in Dubai, the UAE and across the Gulf, the need of the hour is to come up with growth-oriented business model which stand out in the crowd!

In order to achieve this, one of the paramount necessities is to plan everything, right from concepts to operational management to franchising to the economies of scale, and putting them to fruition.

This is where Glee Hospitality Services comes into picture. Conceptualized with a single-minded objective of delivering higher quality, affordable restaurants with atmosphere for diners who want something different, Glee Hospitality has certainly made a mark in the hospitality domain.

Glee is right in the thick of action, on everything one can think of - right from the entire spectrum of growth strategy, marketing, branding, design and concept development, strategic consultancy, franchising, day-to-day operational management agreement and advisory services.

The only thing that drives Glee is its passion to excel and backed by its wealth of experience across geographies, which has helped introduce over 30 concepts in the UAE and region, in a matter of months. Glee operates in UAE, KSA, Oman, Kuwait, Bahrain, Iraq and Egypt.

With an enviable spread of services, Glee covers every aspect in the pre-opening strategy - be it the business plan concept development or preparing the financial feasibility to scouting for the perfect location to interior designs and rendering to even brand identity development and fitout designs, accounting process to recruitment and training of requisite staff for the project.

On the post opening services, Glee's expertise span operational management to Human Resources, to accounting and purchase management to auditing and monthly reporting on the operations. Glee also offers the franchise development and advisory on securing new franchise agreements.

"Glee is much more than a partner in the success - from being consultants and operating partners, to Trusted Partners where we can be opportunity providers to prospective investors eyeing business investments in the F&B sector or existing businesses looking for investors in the domain. Right from market feasibilities to concept development, Glee offers the right partnership," said Abdul Kader Saadi, Managing Director at Glee Hospitality Solutions.

What Glee offers is added value to partners, offering the necessary resources, capabilities to create new food concepts and retail presence and helping organizations to achieve excellence.

No wonder, with its the diverse backgrounds, experience, and understanding of the global marketplace, the partners of Glee Hospitality offer more than 40 years of combined experience in restaurant/hotel management, F&B, business development and operations to set new benchmarks in the hospitality industry!

### THINKING ?

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## BREAKS LEAD TO BREAKTHROUGHS

By Mark Sephton

I've recently returned from a week's vacation. In the entrepreneurial world, we're used to the hustle of working long hours and sacrificing fun, hobbies and recreational activities to establish or maintain our business. We've all been guilty of this from time to time- but I always advocate for the taking of regular breaks to restore (and bring) balance to your life.

It's important to remember that, sometimes, to get ahead, we have to stop and take time to refuel. It is neither healthy nor productive to keep pushing on empty. And, it's not only you who suffers when this happens- those around you are affected too.

Having a relatively young family, it's important to me to take time out and prioritize my children and family. I've often said I'm not willing to be the greatest professional mentor, if the trade-off is I can't be the greatest father to my children. Taking time out isn't only for our benefit, but for the benefit of those around us. I schedule one-on-one time with my children every week, so they know they have quality time alone with me, when I'm engaged and listening. This time also really helps them understand what I do for a living. When I tell them I have a meeting, they say, "What, like you and I now, daddy?"

While making time for ourselves each week is a great start, it won't be enough to recharge one's batteries. Taking a vacation protects the quality time we all

need to have with those who are dear to us and, in so doing, re-energizes us as entrepreneurs as well. Here are four reasons to take a vacation:

**1. REFUEL** We all need to have adequate rest and recovery. We can't afford to overstretch ourselves. Tension can be productive, but when we're overburdened, and that tension turns into unhealthy stress, something will break. Just like an elastic band, when you're overstretched, you will snap, and we all know how painful a snapped elastic band can hurt your finger.

**2. CHANGE OF ENVIRONMENT** When we become familiar with the environment we are in, we can become stale, stagnant and repetitive. Whenever I travel or spend time in a different environment, it spikes my creativity and imagination. The wonders of new scenery bring healing and a freshness to your mood, ideas and thoughts.

**3. CONNECTION** Getting time out gives you the opportunity to give the best of yourself to those who love you the most. When we're hustling and working flat out (and there will be times we all have to do that), those who love us need to know we haven't forgotten about them, and that we still do care. Children spell love as "T-I-M-E," so when we take time to be fully focused on our families and those dear to us, it strengthens bonds.

## Digital detox

WHY YOU REALLY NEED TO UNPLUG WHILE ON VACATION

By Kim Lachance Shandrow

Sun, sand, an iPhone in your hand. If this is your idea of vacation, something's wrong with this picture. Sad as it is, staying plugged in -and even working- on holiday is the new norm. For most of us, whether poolside or at the beach, or tucked away in a tent or a cruise cabin, our smartphones, laptops and tablets are always faithfully by our side or in our hands. We don't know when to quit.

Um, hello. Wake up, not-so-happy camper. In case you forgot, the whole point of taking time off of work is to recharge your mind, body and soul- not your godforsaken glowing gadgets. They don't call it digital detox for nothing. By now you should know that you have to disconnect to reconnect.

When we do temporarily kick the tech addiction and unplug on holiday -c'mon, you can do it- we return to the office refreshed, relaxed and ready to tackle, yep, more work. When we don't, medical and mental health professionals warn that we're not doing a body good. And they're right: we suffer from poor concentration, shoddy sleep patterns, eye irritation, sloppy posture and... let's just stop there for now. Not to mention how dorky we look zombiefying out on our phones when we should be soaking up the sights and engaging in good, old lowercase "f" face-time with our travel mates.

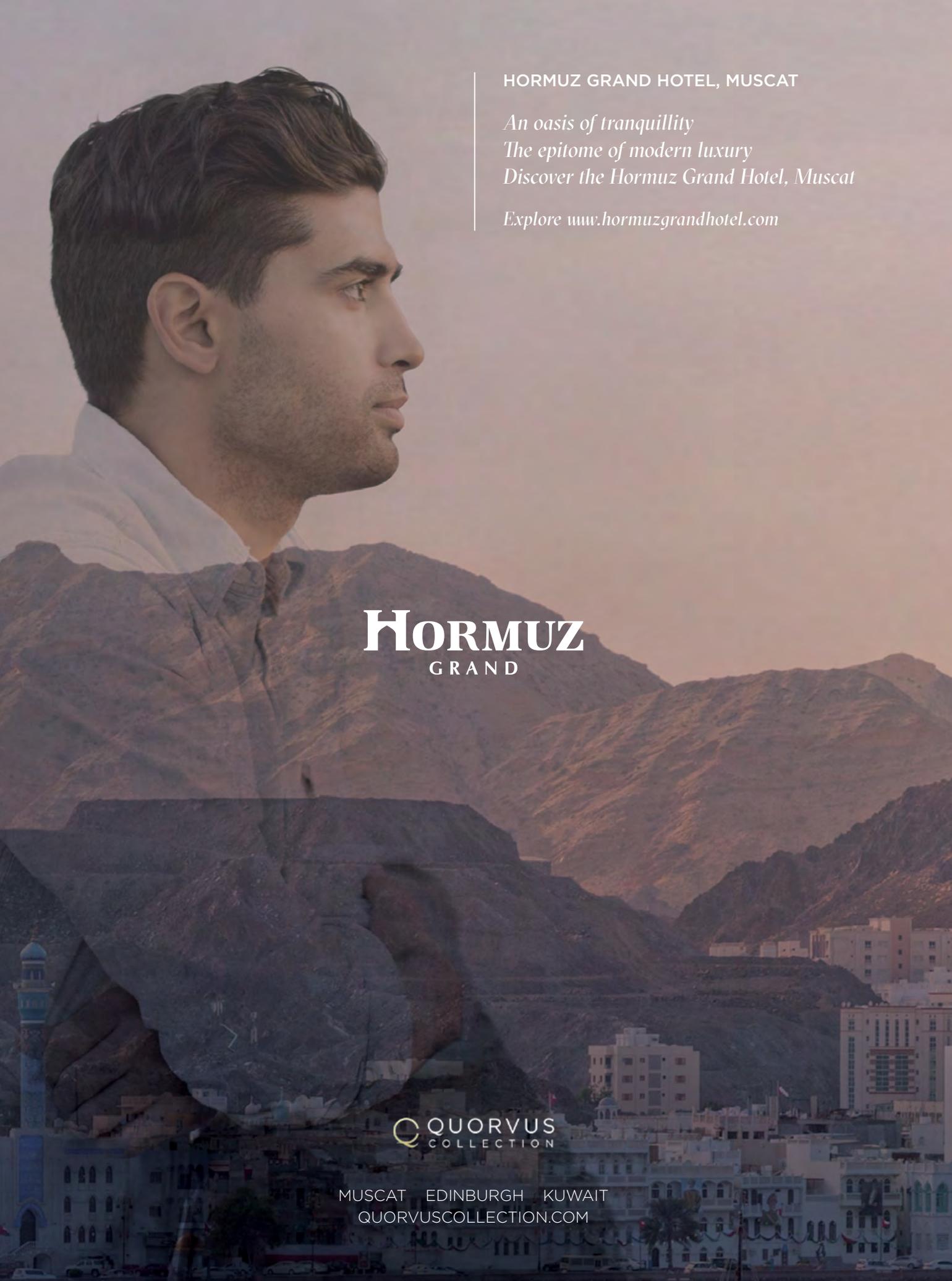
Before you brave a tech-free vacation, or even a staycation, do yourself a big favor -and your clients and/or co-workers- and give them a heads up that you won't be answering email or calls. Basically, tell them to buzz off in a nice way and then banish the guilt. You owe yourself some tech-free downtime, worker bee, and you know it. Facebook, Twitter and Instagram can wait, but your health and wellbeing can't.

**4. REST** There's nothing like a vacation to help you catch up on some much-needed sleep. When we don't have to work at a set time, when we don't have to set the alarm and we can be a little more leisurely and relaxed, it enables us to sleep longer and better. Although it's important (like a diet) that we don't yo-yo with our sleeping patterns, an extra 30 minutes of sleep can help with muscle fatigue, strengthen your brain's ability to focus and problem-solve, and put you in a better mood, with increased energy levels.



Mark Sephton is an international personal mentor to entrepreneurs, basing his program on a GPS system with eight key fundamentals. This system reveals blind spots, efficiencies and deficiencies, and is used to find your "inner sniper" to improve your instinct, producing devastating results in your own revolution of discovery. [www.marksephton.com](http://www.marksephton.com)

See this article in its entirety at [entrepreneur.com](http://entrepreneur.com)

A man with dark hair and a light beard is shown in profile, looking towards the right. He is wearing a light-colored shirt. The background features a cityscape with buildings and a prominent blue domed structure, set against a backdrop of rugged mountains under a warm, sunset sky.

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