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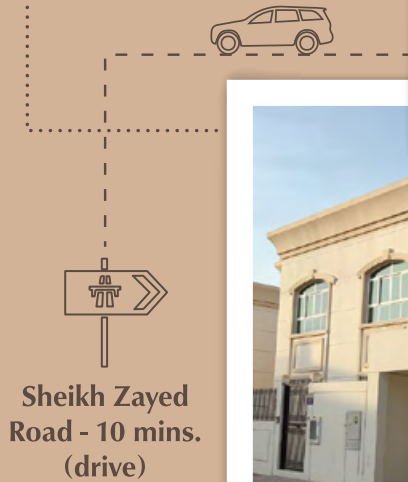
DR. AZAD MOOPEN

THE FOUNDER CHAIRMAN AND MANAGING DIRECTOR OF ASTER DM HEALTHCARE
ON LEADING HIS COMPANY'S NEXT PHASE OF GROWTH

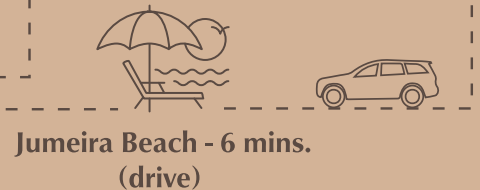




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24Ahmad Hanandeh,
CEO, Zain Jordan**18****INNOVATOR:
SURGING AHEAD**

Aster DM Healthcare Founder Chairman and Managing Director Dr. Azad Moopen on leading his company's next phase of growth.

24**INNOVATOR:
SETTING AN EXAMPLE**

Zain Jordan CEO Ahmad Hanandeh on how Zain Innovation Campus shows how corporates can effectively support the region's entrepreneurial ecosystem.

28**'TREPONOMICS:
PRO**

The entrepreneur's HR playbook

A three-part guide to best practices in HR for all stages of your business.

74**START IT UP:
Q&A**

Keeping things local Jordan-based CashBasha enables MENA shoppers to shop on international e-commerce portals like Amazon- with cash.

68**START IT UP:
ECOSYSTEM**

Ramesh Jagannathan, Managing Director of startAD, the innovation and entrepreneurship platform at NYU Abu Dhabi, lists three steps to building a sustainable entrepreneurial economy in the UAE.

44**TECH:
SHINY
#TamTalksTech**

Gadgets and doodads that you might've missed out on, sourced by a tech aficionado. Yes, it's okay to want them all... and no, it's not our fault.

**72**

Launch of FinTech Hive at DIFC

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74 CashBasha team wins at Startup Istanbul 2016

72

**START IT UP:
ECOSYSTEM**

Calling fintech entrepreneurs
Global consulting firm Accenture has joined hands with Dubai International Financial Centre (DIFC) to launch FinTech Hive.

52

**CULTURE:
LIFE**

Lost in translation
Unisano's Founding Partner Liam Farrell offers a checklist that can help you better your communication in the multicultural Middle East.

78

**START IT UP:
Q&A**

Weaving stories from data
UAE-based natural language generation startup Narrativa uses AI to generate content at scale.

50

**CULTURE:
LIFE**

Making good habits stick
James Clear explains how the "Paper Clip Strategy" can help you to stop procrastinating on your goals.

46

**CULTURE:
TRAPPINGS**

'Trep gear
The executive selection of the entrepreneur on your list. Okay, maybe for a little self-reward as well.

56

**MONEY:
YOUR MONEY**

Money matters
Athena CFO co-founders Dr. Christiane Schloderer and Heather Henyon explain the five key financial elements that can endanger your venture if not managed properly.

44 Sony Portable
Ultra Short Throw
Projector



78

David Llorente,
CEO, Narrativa at
48 Forward



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80 Medativ founder Mohamed Elawad

60 MONEY: ASK THE MONEY GUY

Maximizing value
Investor, advisor, and entrepreneur Ara Sahakian explains four strategies you can use to better your business's chance of a successful exit.

66 START IT UP: ECOSYSTEM

The generation gap
Entrepreneurs Paul Kenny and Rajesh Sajani compare and contrast old school practices with millennial outlooks on starting your own business.

82 'TREPONOMICS: SKILLSET

For the long haul
Appetite Group co-founders Suzi Croft and Manar Al Jayouchi list six ways to ensure long-lasting success for your business.

14 EDITOR'S NOTE

By Aby Sam Thomas

62 MONEY: VC VIEWPOINT

Moving ahead
Jon Richards, co-founder and CEO of compareit4me.com, on why the UAE's new venture capital regulations will help the ecosystem.

48 'TREPONOMICS: ESQUIRE GUY

Are you avoiding the telephone?
The *Esquire* Guy wants you to stop texting and emailing- and start calling instead.



46 TAG Heuer
Carrera Caliber
16 Day-Date
Chronograph
Black Titanium



36

The Ford booth at the CES show in Las Vegas, January 2017

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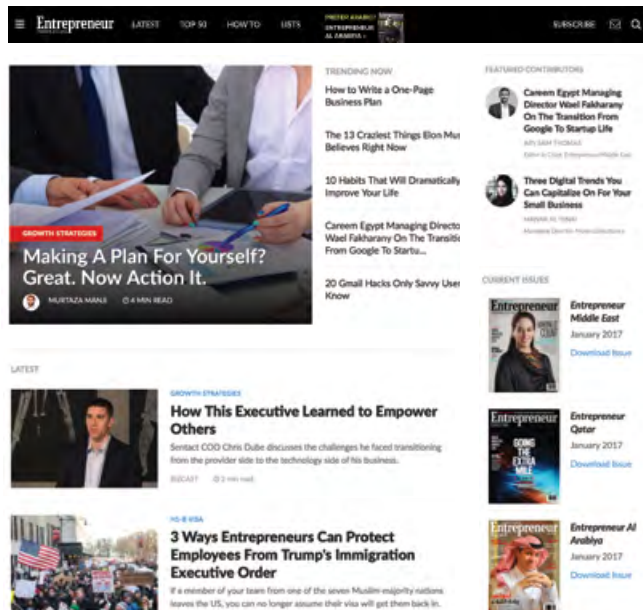
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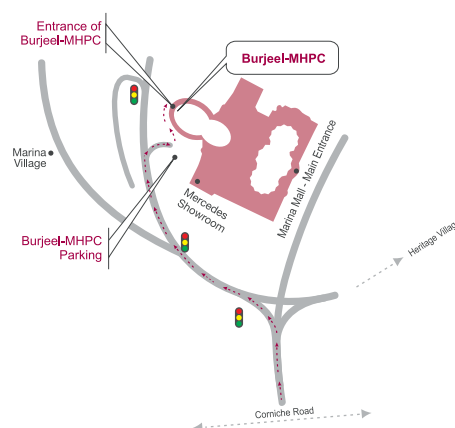
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Ambition overdrive

Your ideas are great- but do you also know how to get them implemented?

I love people who come to me with ideas.

But I hate people who come to me with *only* ideas.

Does that make any sense? I feel like the above sentiment will strike a chord with those of you who work with those amazingly imaginative folk who are seemingly always abounding with ideas on how the business can do better for itself. I've found that these apparently enterprising thinkers are often the bosses or entrepreneurs running the show, and as a result, one feels almost obliged to take their thoughts seriously, given that it was their ideas that got the whole enterprise started in the first place.

However, as the oft-repeated aphorism goes, ideas are worth nothing if not executed properly, and a complaint that I often hear from people who work at startups and corporates alike is how their employers come up with fantastic new schemes to build up their companies, but then fail to offer any sort of roadmap or plan for the same. After all, such ideas require time, resources, and yes, a lot of work to be properly implemented- but more often than not, such

considerations are sadly overlooked or ignored. And when this happens, the workforce -especially those at a startup- find themselves grappling with the extra workload, which then soon leads to things falling through the cracks, and a pervading sense of frustration in the team at large.

So how do you avoid this from happening in your enterprise? Well, I'm no management expert, but the answer, I think, lies in first respecting the people you have on board, and the work that they do for you. Sure, it's important that you, as the leader, keep spurring your employees to go above and beyond what they might think themselves capable of doing, but do understand that there are limits to how much you can do this as well. Take time to understand your personnel's day-to-day workloads, and know that for every new task you throw on their heads, they *have* to reassign time and resources from their existing ones. Being appreciative of this will allow you to add a dose of reality to the ideas you come up with for building up your company- this way, you won't affect business as usual, and your team morale will stay positive as well.



By the way, all of this is not to say that you should put a stop to the stream of ideas that flow out of you- my only suggestion is that you devise plans for their execution as well. Doing that will see you better equipped to realize those ambitions of yours- and that's always a good thing.

A handwritten signature in blue ink, which appears to be 'Aby' followed by a stylized 'S' and 'T'.

Aby Sam Thomas
Editor in Chief

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Stepping up

STEP GROUP RAISES US\$2 MILLION IN FUNDING FROM REGIONAL AND GLOBAL INVESTORS

STEP Group, the organizer of STEP Conference, one of the largest technology events in the Middle East, has closed a Series A funding round of US\$2 million from investors including Wamda Capital, Equitrust, Dubai Silicon Oasis Authority, and global VC firm North Base Media. The startup, which also owns news and entertainment platforms stepfeed.com, yallafeed.com, and the recently acquired video platform Arab Vines, believes that the deal is a shot in the arm both for the group's ambitions to "build the #1 modern and tech powered new media company in MENA," and the region's larger new media space.



Ray Dargham, co-founder and CEO, STEP Group

In a statement on the fundraise, STEP Group co-founder & CEO Ray Dargham said that the financial support will be used to bridge "a growing gap between Arab millennials and the mainstream media" with a "dynamic" media platform. "We aim to more than quadruple the user base across our platforms within the next twelve months to reach more than 10 million users and 30+ million monthly views, and further develop our recently launched STEP Video

capability," said Dargham. Speaking to Wamda, he added that he "was inspired by global models, looking to replicate the Vox model of a platform that uses multiple industry verticals, and the Buzzfeed creativity when producing content."

Industry reports suggest that while the appetite for digital Arabic content in modern formats is increasing among millennials, there is a large market gap when it comes to platforms supplying them. Khaled Talhouni, Managing Partner, Wamda Capital, believes that STEP Group has "recognized and taken ownership" of this growing need. "This investment comes as part of Wamda Capital's thesis of investing in unique and emerging regional digital assets that are founded and managed by extraordinary entrepreneurs," he said in a statement.

Interestingly, STEP Group represents the first investment in the Middle East for North Base Media, a media industry-focused VC firm. Besides STEP's recent inroads into video content through Arab Vines, this year's STEP Conference (an event which is said to have tripled in size since it began in 2012) will include the launch of STEP Music- a concept created in partnership with Middle East music streaming service Anghami to bring together record labels, producers and artists to explore trends and challenges facing the industry.

www.stepconference.com

We have a winner!

NOW Money will represent the GCC at The Venture 2017

After months of search, pitches and selections, the hunt is over- NOW Money was selected as the winner of the GCC edition of The Venture 2017, a global social entrepreneurship competition seeking innovative startups with social impact and viable business model, at a ceremony conducted on January 18, 2017 at the Intercontinental Dubai Marina Hotel. Founded by duo Katharine Budd and Ian Dillon, the fintech app offering an alternative to banks and remittance fees for low-income employees competed against three other finalists: Health Gate, a developer for non-toxic and chemical-free sanitary products for women and children; ilovemypocket, a lifestyle brand enabling its consumers to donate to education-centered NGOs; and Chari Cycles, a brand upcycling vintage and used bicycle frames, while funding bicycles for children in Middle East refugee camps.



NOW Money's Katharine Budd and Ian Dillon, winners of Chivas The Venture Gulf Regional Final

Organized by Chivas, the finals of The Venture GCC 2017 consisted of a pitching round and a Q&A portion with the competition's judges, which consisted of Yogesh Mehta, Managing Director of Petrochem Middle East; Soushiant Zanganehpour, founder of Tribeca Impact Partners; Charles Blaschke, co-founder of Taka Solutions and winner of The Venture 2016 GCC; Jeremy Lawrence, Editor in Chief of *Esquire Middle East*, and Gaurav Sabharwal, Managing Director of Pernod Ricard Gulf, who commented on NOW Money's scalability and social impact potential as essential factors to their win.

For the GCC 2017 winner, the journey is just beginning- NOW Money is one of 30 startups competing in the global finals of The Venture. Next up, besides mentorship opportunities, NOW Money will be heading for a training camp at the University of Oxford by the Skoll Centre for Social Entrepreneurship in the UK in March, and finally, they would be heading for the finals in Los Angeles, US in July to pitch for a chance for a share of the US\$1 million funding prize. Given that they represent the GCC, here's to the region rooting for NOW Money- all the best!



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SET TO MAXIMIZE THE
OPPORTUNITY AT HAND.”*

Dr. Azad Moopen,
Founder Chairman and Managing Director,
Aster DM Healthcare

SURGING AHEAD

DR. AZAD MOOPEN

AFTER THREE DECADES OF SUCCESS, THE FOUNDER CHAIRMAN AND MANAGING DIRECTOR OF ASTER DM HEALTHCARE IS NOW LEADING HIS COMPANY TO ITS NEXT PHASE OF GROWTH

By Aby Sam Thomas

For an enterprise that started out in 1987 with the establishment of a single medical clinic in Dubai, the UAE-headquartered Aster DM Healthcare's current network of 307 healthcare institutions spread across nine countries of the world easily make it one of this region's foremost business success stories. But that's not to say that this company is content to be resting on its laurels—on the contrary, this healthcare conglomerate is pursuing an aggressive expansion strategy for itself, with the plan including a reported US\$300 million IPO in India in the near future. And as for who's leading the company's charge into its next phase of growth, well, it's the same man who has been at its helm for the

past three decades: Aster DM Healthcare Founder Chairman and Managing Director, Dr. Azad Moopen.

I must admit here that I've always thought Dr. Moopen had a particularly interesting profile as an entrepreneur, and the main reason for this is because this visionary businessman is, well, a doctor too, and I was curious to learn how Dr. Moopen managed these two facets of himself on a personal level, given that these two roles, by their very nature, can be seen as being quite contrasting of each other. But as I found out, Dr. Moopen didn't see this duality as an issue, and that, in essence, explains the ideals he has set for both himself and his business. "As a doctor, I strongly believe in everyone's right to proper healthcare, and as an entrepreneur, I have strived

to address this need," he says. "Striking a fine balance between the two roles has been key for me. I believe and practice a philosophy that profit is a byproduct in healthcare services, and I have implemented grassroots level activities that the whole organization and its people practice it."

From a purely business perspective, it's pretty clear that Dr. Moopen has a successful enterprise on his hands: after all, Aster DM Healthcare today employs more than 19,000 people, all of whom cater to about 50,000 patients on a daily basis. "With our core objective of providing the best healthcare services to the society, we have diversified our offerings to strengthen the healthcare infrastructure, and we are glad that our efforts have contributed to the development of the sector," Dr. Moopen says. "Catering through a vast network of hospitals, clinics, retail pharmacies and specialized healthcare professionals, Aster DM Healthcare constantly seeks to innovate and introduce best practices, which can help shape a healthier society. The past decade has seen us expanding our services in the GCC and India, with the launch of new clinics and acquisition of existing facilities. We

have widened the network in UAE, Qatar, and Oman, and entered to markets like Saudi Arabia, Bahrain, Kuwait, Jordan, and the Philippines, apart from major expansion in India."

It must be noted here that Aster DM Healthcare's move into new markets is in line with how the healthcare services sector is evolving in these different locations. "With the healthcare sector in GCC projected to grow at a compound annual rate of over 12%, and exceed US\$71 billion by 2020, we are all set to maximize the opportunity at hand," Dr. Moopen explains. "It is also in alignment with the vision of the regional governments, to continue to prioritize healthcare as one of the core indicators driving the growth index." In the same way, the Indian market is also a key priority for Dr. Moopen, with his company already having 11 of its hospitals in five of the country's states. >>>

"I BELIEVE THAT GOVERNMENTS ACROSS THE REGION SHOULD INVEST MORE HEAVILY IN MEDICAL EDUCATION TO MEET THE INCREASING DEMAND. ONE ROUTE TO CONSIDER IS SETTING UP PUBLIC-PRIVATE PARTNERSHIPS TO ADDRESS THIS ISSUE."



Medcare Women & Children Hospital



“India requires a large amount of facilities, and the subcontinent presents a great growth potential due to gaps in the healthcare system, large geographical area, fast growing population and substantial GDP,” he notes. “Last year, the Indian government has opened its arms to investors to fund the country’s infrastructure and reduced bureaucratic restriction, thus speeding up the process in which foreign capital can enter the country.”

But while the healthcare sector remains Dr. Moopen’s primary focus, he’s also making inroads into other sectors as well. “I have ventured into education with the opening of DM WIMS Medical College and Hospital, DM WIMS Nursing & Pharmacy Colleges at Wayanad in Kerala, India, to train future healthcare professionals under the Dr. Moopen Education and Research Foundation,” he says. “Meanwhile, the upcoming IPO will continue our growth trajectory across our

operating region and further establish our role as global provider catering to local needs. With the evolving needs of the society, our approach to address them has also seen a change, with the adoption of a more proactive health management approach. We see great potential in the use of technology to enable universal access to healthcare at reduced costs. As we continue to expand upon our research and innovation capabilities, which can deliver solutions to meet the fast paced lives of our patients, we are introducing new concepts in the region like chronic care monitoring at home, online pharmacy (asteronline.com), home-nursing facilities and doctors on call. Aster Chronic Care @ Home is a unique concept, combining technology and healthcare delivery features, to provide personalized care to patients at the convenience of their home.”

As for challenges that lie ahead in the future, Dr.

Moopen seems to be cautious of them, but optimistic all the same— he’s leading Aster DM Healthcare in such a way that it always remains one step ahead of market trends. “The region’s healthcare sector has witnessed exponential growth over the past three decades and we expect it to continue its growth momentum in the long term, driven by a number of factors including aging and growing population, introduction of mandatory healthcare insurance, and new medical advances,” he says. “However, the main issue facing the sector is the shortage of locally trained manpower, especially in the Gulf Cooperation Council (GCC), where most trained professionals come from outside the region. As such, I believe that governments across the region should invest more heavily in medical education to meet the increasing demand. One route to consider is setting up public-private partnerships to address this issue.” Dr. Moopen is also cognizant of the evolution of technology in today’s world, and he wants Aster DM Healthcare to be well aware of it. “One area that we need to keep watchful eye on is technology, which continues to develop at a rapid pace and touches upon every aspect of

today’s life,” he says. “In the healthcare sector, technology is expected to play a big role in the near future, especially in the wearables and tele-medicine areas.”

If his plans for the future are any indication, then it’s easy to see that Dr. Moopen is placing a lot of importance on diversification and innovation as being drivers for the continued success and growth of his company, but at the same time, he is insistent on the company being guided on this march ahead by a very specific set of values. “At Aster DM Healthcare, we have been driven by our consistent mission of providing quality healthcare at affordable costs to the people that we serve,” Dr. Moopen explains. “While excellence in delivery of services is of utmost priority, we constantly strive to innovate and introduce ways to excel >>>

“AS A BUSINESS LEADER AND AS A COMPANY, WE WANT TO BE REMEMBERED FOR OUR BRAND PROMISE OF ‘WE’LL TREAT YOU WELL,’ WHICH DENOTES OUR COMMITMENT NOT JUST TO OUR STAFF, BUT TO OUR PATIENTS AND INTERNAL/EXTERNAL STAKEHOLDERS, AND THE ENTIRE SOCIETY ON THE WHOLE.”



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in our field, which has led to our success in expanding the portfolio of healthcare services we provide, as well as the geographies in which we operate. This has been instrumental to our success over the past three decades.” This particular philosophy is also evident in the many philanthropic activities that Aster DM Healthcare indulge in— from a personal standpoint, Dr. Moopen, who’s been listed as one of the richest Indians in the world, has pledged 20% of his personal wealth to such causes. “As a business leader and as a company, we want to be remembered for our brand promise of ‘We’ll Treat You Well,’ which denotes our commitment not just to our staff, but to our patients and internal/external stakeholders, and the entire society on the whole,” Dr. Moopen says. “Over the years, we have launched various activities aimed at giving back to society in India, Middle East and Africa. Such initiatives are now channeled through Aster DM Foundation and Dr. Moopen Family Foundation, both of which operate under the Dr. Moopen’s Foundation umbrella.”

Given the size and scale of the enterprise that he oversees, I ask Dr. Moopen on how he goes about ensuring the business is running as expected on a daily basis, and much like other seasoned figures of business, he is quick to point toward the people he has managed to get on board at Aster DM Healthcare. “We have been successful in identifying capable people to head our operations across various geographies and institutions,” he says. “When you are in an expansion mood, it is very important that you get good people in administration, as well as skilled professionals such



Dr. Azad Moopen, Founder Chairman and Managing Director, Aster DM Healthcare

“ONE AREA THAT WE NEED TO KEEP WATCHFUL EYE ON IS TECHNOLOGY, WHICH CONTINUES TO DEVELOP AT A RAPID PACE AND TOUCHES UPON EVERY ASPECT OF TODAY’S LIFE. IN THE HEALTHCARE SECTOR, TECHNOLOGY IS EXPECTED TO PLAY A BIG ROLE IN THE NEAR FUTURE, ESPECIALLY IN THE WEARABLES AND TELEMEDICINE AREAS.”

as doctors, to stay with you for a long period. Delegating with empowerment is very important for sustainable business. We are lucky to have huge number of medical professionals who have been with us for many years.” As for his personal strategy in achieving goals, Dr. Moopen claims to draw inspiration from the rulers of the nation he set his first enterprise in. “Having a vision is key to achieving excellence, as repeatedly demonstrated by the UAE’s leadership,” he says. “However, vision without execution is a waste of time— I strongly believe that it is important to focus as much, or even more, on execution, than goals and vision. In addition, surrounding yourself with like-minded individuals who fully under-

stand your business is also very important for achieving your goals.” In terms of advice for entrepreneurs just starting out on their ventures, Dr. Moopen seems to use his own journey as a reference point for upstarts in the field today. “Believing in your dreams and your ability to achieve them is definitely a major factor in realizing success,” he says. “In addition, perseverance and tenacity, coupled with the ability to move swiftly to capture market opportunities, are paramount to achieving best results.” His words may sound simple and succinct— but if Dr. Moopen’s success so far is anything to go by, it’d be wise for the rest of us to take his wisdom to heart, and be all the better for it. ■

‘TREP TALK

DR. AZAD MOOPEN’S TIPS FOR ENTREPRENEURS

1. Do your homework

“Identify opportunities doing thorough market research, and updating that with personal involvement. While consultants can give you volumes of advice, it is very important that you do the homework using your own contacts and common sense.”

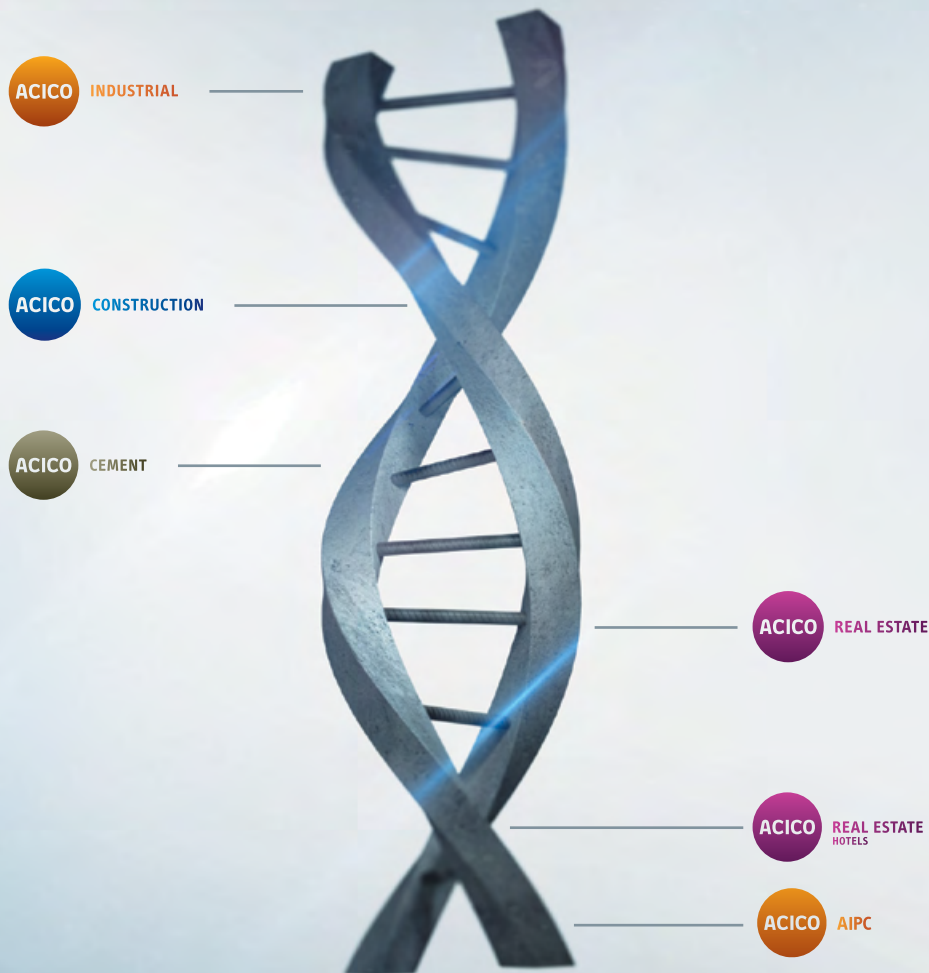
2. Your people matter

“Identify a good team who can execute a project with a suitable leader. It is very important to have a capable person as Chief Executive for any project you are starting. You have to also delegate and empower the person to carry out the business without interference.”

3. Perseverance is key

“There is no substitute for hard work. You have to toil for long periods to achieve success, and you have to take failures as learning opportunities.”

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SETTING AN EXAMPLE

ZAIN JORDAN CEO
AHMAD HANANDEH

Through its establishment of the Zain Innovation Campus, this corporate is showing other Middle East companies how to effectively support the region's entrepreneurial ecosystem

For all of the talk corporates in the Middle East make about their support of entrepreneurs in the region, there is also often criticism leveled against them on the premise that such endeavors are often all just, well, "talk," and don't really translate into

real action or value for the people they propose to help. Many of these initiatives are also just flashes in the pan—they are not conceptualized for the long term, and are essentially just one-off PR exercises for the organization running them. But while this may (arguably) be the status quo for the region, Zain Jordan has chosen to do things differently— and to give credit where it's due, this telecom

provider has been doing so since 2014, which was when it launched the Zain Innovation Campus (ZINC) at the King Hussein Business Park in Amman. Since then, ZINC has supported more than 40 startups, signed more than 70 strategic partnerships, and hosted more than 670 activities, with a total of 36,963 people having visited the institution— while these figures are, by themselves, indicative of this initiative's success so far, the very fact that Zain had these numbers measured and ready to share impressed upon me the company's dedication to ensure that ZINC has a definitive impact on Jordan's entrepreneurial ecosystem.

Claps are therefore in order for Zain Jordan CEO Ahmad Hanandeh, who has been

spearheading the growth and development of ZINC into what it is today. "ZINC is an enabling platform where youth, entrepreneurs, innovators, mentors, investors, and corporates can come together as a community, with the joint goal of igniting a prosperous ecosystem," Hanandeh says. "Today, following the launch of ZINC, entrepreneurs have a platform that they can use



A pitching competition at ZINC

Ahmad
Hanandeh,
CEO, Zain
Jordan





to convert their ideas into flourishing businesses. ZINC has many roles within the entrepreneurial ecosystem and cannot be constrained to one title. ZINC is not only an incubator, accelerator, investor, or coworking space. ZINC is a combination of all the entrepreneurial ecosystem's core components." According to Hanandeh, ZINC is the realization of Zain Jordan's strategy on corporate entre-

preneurship responsibility (CER), a paradigm that was introduced to this region by Wamda Capital Chairman and CEO Fadi Ghandour. Hanandeh explains that CER is essentially an effort to get private companies more directly involved in supporting the entrepreneurial ecosystem.

"We believe that CER is a collaborative movement aimed at leading, mobiliz-

"ZINC IS NOT ONLY AN INCUBATOR, ACCELERATOR, INVESTOR, OR COWORKING SPACE. ZINC IS A COMBINATION OF ALL THE ENTREPRENEURIAL ECOSYSTEM'S CORE COMPONENTS."

ing and organizing private sector efforts in building region-wide entrepreneurial ecosystems," Hanandeh says. "We created a vision and a strategy for corporate entrepreneurship responsibility,

and decided to focus on addressing the challenges that entrepreneurs and startups face throughout the lifecycle of a startup, from initiation to post-incubation period. The concept of creating an >>>



Their Majesties
King Abdullah II
and Queen Rania
of Jordan at ZINC

enabling platform came in 2014, and as a result, ZINC was established. Two years after ZINC's launch and realizing the successful impact of our initial strategy, we decided to grow the CER strategy even further. This involved expansion into Jordan's governorates, enhancing our startup support, focusing on further commercialization and extraction of value, and creating a ripple effect of CER adoption by the private sector in Jordan."

And Zain Jordan certainly seems to want to lead by example- for instance, the Zain Al Mubadara initiative is an idea stage fund that enables the conversion of innovative entrepreneurial ideas into viable business models and

"ZINC HAS [...] CONNECTED STARTUPS WITH ENTITIES FROM ALL OVER THE WORLD, HELPED CREATE JOBS, ENRICHED THE CAPACITY OF OUR YOUTH, AND PROVIDED SPONSORSHIP AND SUPPORT FOR SO MANY INITIATIVES AND STARTUPS."

ventures. The first edition of the program saw Zain adopting 12 business ideas, while the second saw it take in a cohort of 20. At the same time, besides its own mentorship and coaching programs, ZINC also helps entrepreneurs gain exposure on both regional and global levels by supporting their participation in events like RiseUp Summit, Mobile World Congress, and the International Mobile Gaming

Awards. Of course, ZINC has also played host to a number of entrepreneurial events and capacity building initiatives- these include Startup Week, MIT Enterprise Forum Innovate for Refugees, Adobe Inspire ME Creativity Conference, and more. Visitors to the ZINC campus have included high-profile names like their Majesties King Abdullah II and Queen Rania of Jordan, HRH Prince Charles, The Prince of Wales, and Amazon founder and CEO Jeff Bezos.

Looking at the above achievements, it seems pretty clear that ZINC has delivered on many of the goals it had set for itself, and while Hanandeh agrees with that sentiment, he is also pushing ahead for its continued progress. "I believe that ZINC's impact is truly

comprehensive," Hanandeh says. "It has inspired so many entrepreneurs, provided learning and exposure, allowed startups to focus on scaling, reduced operating cost for many entities working from ZINC, and provided entrepreneurs with mentorship and coaching. As well as the aforementioned, ZINC has also connected startups with entities from all over the world, helped create jobs, enriched the capacity of our youth, and provided sponsorship and support for so many initiatives and startups. For example, after working closely with Zain Jordan and associating their brand with Zain, over 75% of ZINC startups secured critical partnerships with other corporates in different sectors." As for the future of the enterprise, Hanandeh says that ZINC will be focused on enhancing the performance of all its core components, and expanding in governorates in both the North and South of Jordan. Plans are being made on activating ZINC within universities in 2017, which will see the enterprise hosting workshops with public and private sector partners in an attempt to encourage students to pursue entrepreneurship and innovation in their future careers. Its ZINC Academy division is also plotting new courses that will teach startups the tenets of scaling and legitimizing business models.

Given all that Zain Jordan has accomplished with ZINC so far, I asked Hanandeh for his advice for other established companies in the region who'd like to follow his organization's lead with respect to supporting entrepreneurship and innovation in the region. "I would recommend that corporates start from within by implementing innovation practices



A social media
workshop at ZINC

“WE CREATED A VISION AND A STRATEGY FOR CORPORATE ENTREPRENEURSHIP RESPONSIBILITY, AND DECIDED TO FOCUS ON ADDRESSING THE CHALLENGES THAT ENTREPRENEURS AND STARTUPS FACE THROUGHOUT THE LIFECYCLE OF A STARTUP”

with their employees, so that the entire organization can adapt to the implementation of a CER strategy within the company’s existing strategy, vision, mission, and culture,” he replies. “Your brand ambassadors and your strongest advocates are your employees. No company will be able to truly focus on supporting entrepreneurship without the buy-in and drive of its personnel. Then, corporates should spend time discussing their strategies and the methodologies in which they can support the ecosystem whether by es-

tablishing partnerships with entities that are already in the entrepreneurial field or by hosting activities that will allow them to engage with the ecosystem and create an impact. Examples of such activities include startup competitions, entrepreneurship workshops, hackathons and speaker series.”

Once these steps have been implemented, Hanandeh suggests that corporates take the time out to research routes through which they can actively support the ecosystem. “There are so many different ways in which the corporate

can support startups,” Hanandeh says. “It could include launching a fund that invests in startups and takes equity in return, utilizing corporate resources and supporting startups through in-kind services, incubating them internally if they fit the sector they operate in and give them access to resources that will aid in enhancing their business models and scalability. Additionally, become startup clients themselves by adopting their solutions, products or services, and implementing them within their operations or offer them to their clients.” At the end of the day though, Hanandeh believes that such initiatives should be spearheaded keeping in mind the original objective for such activities. “I believe that corporates should always maintain a strong connection with the greater purpose/ vision of CER,” he says. “It

ROLL CALL

A look at 10 of ZINC’s most prominent startups

A Minute Marvel aminutemarvel.com

Ammerli ammerli.com

AqarCircle aqarcircle.com

CashBasha cashbasha.com

Ekeif ekeif.com

Feesheh feesheh.com

Jobedu jobedu.com

LinaGas linagas.com

Tamatem tamatem.co

Toffimelt toffimelt.com

is improving the overall local economy through youth empowering initiatives that will inspire, and eventually lead to, job-creating opportunities through innovation and entrepreneurship.” It’s a lofty goal, of course— but then again, Zain Jordan seems to be well on its way to realizing this ambition with ZINC, and other corporates in the MENA region can definitely follow suit. ■



Wamda Capital
Chairman and CEO
Fadi Ghandour with
Zain Jordan CEO
Ahmad Hanandeh

THE ENTREPRENEUR'S HR PLAYBOOK **[THE HOW-TO]**

A guide to best practices in HR
for all stages of your business

PART ONE **THE (ESSENTIAL) TALENT QUALIFIER CHECKLIST**

Six tips to guide the hiring
process for your organization

PART TWO **THROUGH THE GOOD AND THE BAD**

Securing employee loyalty in the
Middle East

PART THREE **INITIATING INNOVATION**

Furthering the role of HR in
change management

PART ONE THE (ESSENTIAL) TALENT QUALIFIER CHECKLIST

SIX TIPS TO GUIDE THE HIRING PROCESS FOR YOUR ORGANIZATION

BY NEIL PETCH

THERE COMES A TIME for most entrepreneurs when they consider—however briefly—the thought of taking on an employee. After all, if you want your business to grow, if you do want to build something that leaves a mark on this world, that lifts you up to true entrepreneurial greatness (and that makes you a rich individual in the process), then you won't be getting there alone. A team is needed. You need to build, and you need to have that “team work” mindset from day one. Hiring the right people is thus key to your company's growth—and this means that you need to pay close attention to how you go about doing just that. Set aside time and effort to do this right, and rest assured your startup will be better off because of it.

True entrepreneurs know that the best way to grow a business is to build a winning team. That team of talent you must be constantly building will, after all, be constantly building your business. And so it goes without saying that the search for those with the “right stuff” needs to be high up on the business owner's to-do list at any given time.

But if we are to be honest, talent building is no easy task. And if we need evidence of this, there are plenty of stats out there to illustrate just how often it can go sideways. For example, Leadership IQ's *Global Talent Management* survey quizzed 5,000 hiring managers on their experiences, and found that a whopping 81% of new hires fall short of what they were brought on board to do.

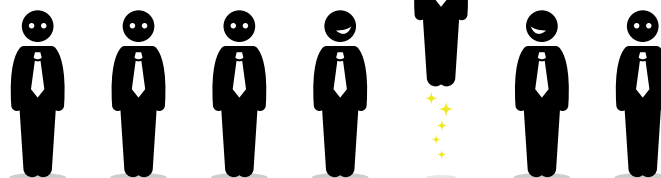
And here's the thing: a lot of the time, it is very hard to get a feel for the situation in advance. If we look to the Leadership IQ study, the main reasons given for the “falling short” were things like coachability (unable to learn), lack of emotional intelligence, lack of motivation, and temperament. You can do your best to screen in that job interview, but the reality is that some of the shortcomings will only be revealed once the hire is made and the person starts work.

This is not to say you are at the mercy of it all. Rather, it just means you have

to ensure that your hiring process is checking the right boxes. And you really need to succeed here, because part of the issue with employing someone new is that if you do get it wrong, by the time you are aware of the underperformance, that person is likely tangled into your company structure, and “untangling” is often tricky and expensive.

But to be clear, the worst of it is in fact the missed opportunity costs that come with not having hired that right person who would have, by now, already been serving up wins for you. Indeed, we want to get this right as often as we can. And so with that in mind, let's take a look at what you entrepreneurs out there should be considering when screening to fill any and all positions at your company.

Put the candidate on edge. See if you can make them squirm by giving them real challenges and tasks to tackle in the interview.



1 BE DETERMINED TO UNCOVER THE FIT (OR LACK THEREOF) First off, try and master the ability to spot the difference between those who can talk the talk and those who can truly walk the walk. Job interviews can get rather social, and so it's important to ensure that as the interviewer, you don't forget to come out of the interview stage knowing that the candidate's skills are suitable for the job—not simply that they are a nice person.

Pinpoint the essential list of “must-have” skills for the job, and try and get real-life examples from the interviewees, pushing them hard to demonstrate how they match your needs. Be ruthless here and press and press until you either get confirmation or conclude that the matchup is simply not there.

Should you indeed get confirmation that this is a potential fit, then move on to your “would like to have's.” These can be soft skills or extras that are not essential—perhaps a second language, or just the fact that they are so darn likeable. Just let them talk a lot and keep prodding with your well-timed questions. They are there to prove themselves and you must not settle until your gut tells you that you have screened as much as you needed to, and that you have the essential info required about their ability to meet the specific job requirements.

2 PUSH ON THE “ABOVE AND BEYOND” We sometimes transfer our own expectations onto other people and make assumptions that they would be happy and capable of handling the “above and beyond.” When we do this in the context of business expectations, that could end up being a problem. >>>

Let's take the publishing world, for instance, where I spent a great deal of my career. Doing a bit (or a lot) of overtime near to deadline is something that the industry demands. If you have a monthly publication, for example, it's costly to miss a printing slot and everyone pulls some overtime to hit the date. So, how willing and able to put in that overtime is the job candidate sitting in front of you?

You need to probe. Ask questions like: "How will you manage working the occasional weekend? Will there be problems with that?" And do not, for example, ask: "Are you willing to...?", which is a different kind of question and easier to answer with a non-committal "yes." This is not about forcing people to work extra hours. Nor is it about trying to build a company culture where people feel obliged to work extra hours out of fear. But for me, that willingness to go the extra mile at times will always be a prerequisite for hiring for any position.

3 PUT THEM ON EDGE Testing for resourcefulness, resilience and versatility may seem a challenging prospect. You can try to ask direct questions to get direct examples, such as, "Give me an example of a time you handled a difficult client." But best even to take it up a notch. Give specific tests with a time limit, for example—such as the famous sales ability test where the interviewer produces an object, and says: "Sell me this."

The point here—and what is a common theme for me when it comes to interviewing in general—is to again push yourself to uncover the right info. Make the interview hard on you and the candidate, and try and get as practical as possible. You need to, after all, get a great deal of clarity if you are to have a real shot at identifying those who are going to do the job versus those who are going to actually help your company grow.

So stay away from the conventional, and put the candidate on edge. See if you can make them squirm by giving them real challenges and tasks to tackle in the interview. Think these through well, and plan for them. Even test them

out on existing employees in simulated interviews to see just what sort of info they reveal. If you can put someone who already has the job on edge, then any candidate who manages the task coolly is a serious candidate indeed.

THEY ARE THERE TO PROVE THEMSELVES AND YOU MUST NOT SETTLE UNTIL YOUR GUT TELLS YOU THAT YOU HAVE SCREENED AS MUCH AS YOU NEEDED TO.

4 READ BETWEEN THE LINES FOR STAYING POWER When looking at someone's work history you can see the pattern of their movement through employment and to some degree work out their "employability." And here you'll want to be on the lookout for those that tend to hop from one job to another without too much of a care, as that's a pattern that rarely changes. Just be aware, though, that the "hoppers" often do quite a good job of CV manipulation in order to patch up those holes, and so you need to make sure to ask questions to double check if those timelines are accurate. Quiz them at length on their experience in the places they have worked, and straight out ask them about the timelines and see if they start to give nervous answers. And yes, always do check a reference or two. Now to be fair, some may have moved from place to place until the point they landed in your interview chair because they are ambitious and have been searching for the right position (and you may just be serving that up). So don't be automatically judgmental. But do red flag it and use the opportunity to get to the bottom of someone's motivation on the job and whether you feel that your working environment is a right fit for them.

5 CHECK YOUR ROLE AS THE HIRER—WHAT MESSAGE ARE YOU GIVING OUT? This advice is to do with sending out the right bait to hook the right fish. To some you may be selling a "life role," and that's important for you to understand. Before you even advertise the role, then, define your hypothetical target personality

and the qualities that person is likely to have. Once you've got that sorted, then you can sit down and write up the job proposition in ways that you believe would appeal to the right person. Good things happen when you truly understand and communicate the role according to such principles. In reality, though, this is not something that is done enough in the recruiting process. It is, rather, too often a case of simply grabbing the job description template and filling in a few blanks. But believe me when I tell you that this lays the foundation for a successful hiring initiative and that the extra time upfront could end up paying off well into the future.

6 TAKE YOUR TIME Now I'll leave you with what is for me always the best bit of advice to keep in mind when it comes to the human resources side of things: "Hire slowly, but fire quickly." The point is of course not to sound harsh. But the reality is this: if you are going to rush anything, it should not be the decision to hire in the first place, because the fallout from the wrong hire is simply too expensive, too stressful, and truly unfair to all involved.

So take your time where possible, and where not possible, still take your time. Because what good, after all, is filling a position quickly when you really haven't filled it at all? That is, can we say the position has actually been filled if someone unsuitable has been chosen to fill it? We cannot.

As I mentioned upfront, real entrepreneurs know that the best way to grow a business is to build a winning team. Which is why real entrepreneurs actually relish the hiring process despite it having the potential to be both extremely time consuming and, yes, even agonizing on occasion.

But indeed, there can be no corner-cutting here. It's that simple. Any laziness now will only result in more work for you later. And that logic alone should be enough for you to never again settle for anything less than the best when it comes to the HR effort at your company. ■



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 GMC, 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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PART TWO

THROUGH THE GOOD AND THE BAD

Securing employee loyalty
in the Middle East

BY SUHAIL AL-MASRI

Once you have got the best people onboard your enterprise, it's then important to not be complacent about your employees- doing so will see you losing your best people, and we all know that recruiting a new person will involve a lot of time, energy and cost, all of which are resources that startups or SMEs cannot afford to waste. To retain talent, you need to secure their loyalty, and that means you, the entrepreneur at the helm of the company, need to be consistently reviewing the work environment that you are building in your organization. Remember, employee loyalty is not something you can be lax about- it is a key indicator of your startup's efficiency, and your likelihood of success in the long term.

Companies are highly interested in discovering the best practices out there for securing top talent. Every employer wants to make sure every new member they add to the company is able to contribute positively. But sometimes, companies find themselves without a clear plan to engage those employees who have long ago passed the screening and hiring phases. Namely, those who have begun their months and years of hard work and dedication, and are no longer under the spotlight. Some em-

ployees might've assimilated so well to the company culture and work requirement that it is hard to recall their induction phase. Others have proven to be extremely talented and skillful to the extent that they are taken for granted, which could cause them to feel neglected or undervalued at times. The reality is, it takes just as much effort to retain top talent as it does to find them in the first place.

Employee loyalty often comes to focus around this time of the year. Having undergone a busy season of performance evaluations, feedback, and possible promotions or salary raises, most professionals find it now appropriate to evaluate their career trajectory and to begin making adjustments as they see fit. Having said that, employee loyalty is not a seasonal topic. It is, in fact, one of the most important indicators of efficient work environments; it affects individual performance and often correlates with overall productivity and healthy work dynamics. A Bayt.com poll, *Employee Loyalty in the Middle East and North Africa*, revealed that nearly nine in 10 respondents (88.9%) agree that high employee loyalty drives more productivity in the workplace.

Many managers and business leaders would be happy to hear that 79.4% of respondents from the Middle East and North Africa (MENA) said that they are loyal to their companies. But take that with a grain of salt: employee loyalty is not unconditional. There are several requisites that professionals always expect to have and there are many areas that could be enhanced in order to truly secure employee loyalty. Employee loyalty can quickly decline if companies stop listening to their employees and finding new methods to give them the necessary career boost.

WHAT EMPLOYEE LOYALTY REALLY MEANS

Many companies mistakenly look at only one element when measuring employee loyalty. It is easy to get this wrong but employee loyalty is not synonymous with retention rate. Surely, with higher employee attrition loyalty will suffer, but employee loyalty comprises many more elements. In fact, only 11.1% of professionals polled by Bayt.com, the Middle East's leading job site, associate the number of years at a company with loyalty, making it the least commonly cited one.

EMPLOYEE LOYALTY IS MORE THAN THE NUMBER OF YEARS SPENT AT THE SAME COMPANY

IN YOUR OPINION, EMPLOYEE LOYALTY MEANS



33.3%

Maintaining company confidentiality even after resigning



30.3%

Being dedicated and abiding to the company's values and rules



25.3%

Being proactive and invested in promoting the company's vision



11.1%

Staying with a company for many years

COMPANIES HIGHLY VALUE LOYALTY



76.6%

of employers are interested in having loyal employees



79.4%

of professionals said that they are "extremely" or "very" loyal to the companies they work at



31%

of professionals are planning to stay with their current company for at least 2 years

According to the Bayt.com poll, *Employee Loyalty in the Middle East and North Africa*, a third of employees refer to confidentiality, even after resigning from a company, as the most vital factor for being loyal. 30.3% of respondents think of loyalty as being dedicated and abiding by the rules and values of the business. Another quarter (25.3%) define loyalty as taking initiative and promoting the company's vision and interests. Loyalty in the Middle East entails the aforementioned definitions and more.

Now is the time that such a comprehensive definition and approach towards employee loyalty are adopted by all companies and organizations in the MENA region.

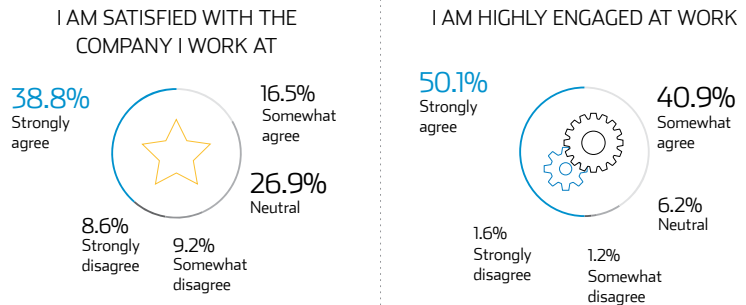
MANY COMPANIES MISTAKENLY LOOK AT ONLY ONE ELEMENT WHEN MEASURING EMPLOYEE LOYALTY. IT IS EASY TO GET THIS WRONG BUT EMPLOYEE LOYALTY IS NOT SYNONYMOUS WITH RETENTION RATE. SURELY, WITH HIGHER EMPLOYEE ATTRITION LOYALTY WILL SUFFER, BUT EMPLOYEE LOYALTY COMPRISES MANY MORE ELEMENTS.

WHY COMPANIES SHOULD CARE ABOUT LOYALTY

The general consensus among respondents across the MENA region (88.9%) is that employee loyalty contributes extensively towards productivity and towards achieving goals and objectives. Having such understanding of loyalty can be transformative for every business. Employee loyalty is not a microscopic issue concerning individual workers or distinct personalities. Employee loyalty is a company-wide development that can hugely influence the bottom line. Securing loyalty is a big endeavor that employers should aim to implement with the help of managers, human resource officers, and all employees.

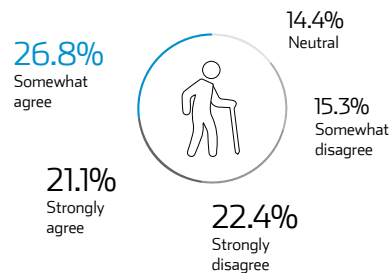
Other benefits of employee loyalty cited in the Bayt.com poll, *Employee Loyalty in the Middle East and North Africa*, include higher efficiency (32.1%) and stronger team relationships and dynamics (30.8%). A quarter of respondents feel that employee loyalty correlates with employee satisfaction. 6.2% of respondents suggest that loyalty leads to lower turnover rates, which in turn means lower costs spent on sourcing, hiring, onboarding, and training talent.

THE MAJORITY OF PROFESSIONALS ARE SATISFIED WITH THEIR COMPANY AND ENGAGED AT WORK

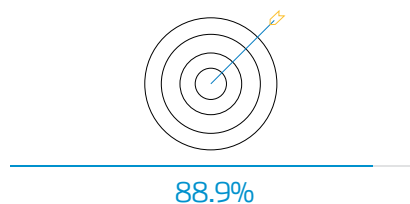


THERE SEEMS TO BE A SPLIT ON WHETHER AGE AFFECTS LOYALTY TO THE COMPANY

Do you agree, older generations and more experienced professional are generally more loyal than fresh grads and millennials?



BENEFITS OF EMPLOYEE LOYALTY



of professionals believe that loyal employees contribute extensively to the productivity of the company and towards achieving its goals

WHAT INFLUENCES EMPLOYEE LOYALTY

Having recovered a more wide-ranging definition of employee loyalty, it is no longer surprising that the factors and elements that drive loyalty up and down are varied. Indeed, this is where differences in personalities and work styles come into play. Certain employees may be influenced by one factor and not the other.

Nonetheless, there is agreement among professionals over certain factors. 83.2% of respondents to the Bayt.com poll, *Employee Loyalty in the Middle East and North Africa*, say that the office and work environment is an important factor for fostering loyalty. Without doubt, work environment is more than architecture and furniture; it also involves communication, flexibility, and overall work culture. >>>

More than a quarter (28%) of respondents feel that loyalty depends on income. Others (19.2%) disclosed that loyalty is dependent on being rewarded. Top management has also been listed for its impact on loyalty by 19.1% of respondents, whereas 17.4% believe it's all about team members and the people they work with on regular basis.

HOW COMPANIES CAN SECURE EMPLOYEE LOYALTY

The answer may sound very simple: employees want to feel that they are valued, and that the company is still invested in them and wants to improve their career beyond the initial stages of hiring and on-boarding. The lack of career growth opportunities was cited as the top reason for damaging employee loyalty in the Bayt.com poll, *Employee Loyalty in the Middle East and North Africa*. This sentiment was also echoed in the 2016 Bayt.com *Career Development in the Middle East* survey. Many employees felt that their companies are failing to equip them with the learning and training opportunities needed to ensure their career growth. This leaves the employee feeling disadvantaged in their jobs. In fact, more than three quarters of professionals say that they are ready to leave their company for better training opportunities. Companies need to focus on providing training opportunities that address their employees' exact needs and preferences.

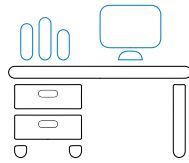
WITHOUT DOUBT, WORK ENVIRONMENT IS MORE THAN ARCHITECTURE AND FURNITURE; IT ALSO INVOLVES **COMMUNICATION, FLEXIBILITY, AND OVERALL WORK CULTURE.**

Bayt.com, for example, has repeatedly emphasized providing state-of-the-art training and support. The Middle East's leading job site also cares about fostering a work environment where teamwork and creativity can flourish and ideas can be shared freely. As a result, Bayt.com's headcount has been growing steadily and rapidly, their turnover is at a healthy low level, and they have been awarded the *Top Ten Places to Work in the UAE* award for four consecutive years, the *People and Culture of the Year* award (2012), and the *Best Workplaces in Asia* list (2015).



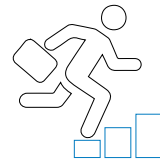
Suhail Al-Masri is the VP of Employer Solutions at Bayt.com. Al-Masri has more than 20 years of experience in sales leadership, consultative sales, account management, marketing management, and operations management. His mission at Bayt.com goes in line with the company's mission to empower people with the tools and knowledge to build their lifestyles of choice.

SO HOW CAN COMPANIES PROMOTE LOYALTY?



83.2%

of employees say that the office environment is very important to their loyalty levels



38.2%

of professionals disclosed that lack of promotions or career growth is the most damaging factor to employee loyalty

WHAT DOES EMPLOYEE LOYALTY DEPEND ON?



28%

Salaries



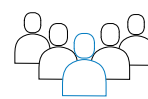
19.2%

Compensation and benefits



19.1%

Top management



17.4%

Team members



16.3%

Direct manager

Aside from continuous learning and professional development opportunities, employees have many expectations from their companies that would in turn enhance their loyalty. Fairness in treatment was named the most popular choice by 22.4% of respondents to the Bayt.com poll, *Employee Loyalty in the Middle East and North Africa*, followed by wanting credit and rewards for their achievements by 21.9% of respondents. 18.1% of polltakers look for a company that helps them balance between work and life, and 14.5% believe in the importance of strong relationships with the company and other employees.

The responsibility of enhancing employee loyalty partially falls on the shoulders of managers. In their relationships with their direct managers, employees want to feel that they matter and that they are listened to. Four in 10 respondents (40.7%) think that a direct manager should listen and align the employee goals with the company goals. More than a quarter (27.5%) want managers to help

them understand the company's mission and values and another 23.9% care about strengthening their relationships with management.

Employers in the Middle East and North Africa should be well aware that granting opportunities for growth and advancement and truly listening to what matters to the employee are among the best ways to win their loyalty and support. Once again, we are not simply talking about retention here. Employee loyalty is parallel to dedication, trustworthiness, and positive work ethics that are of huge value to every business. Targeting loyalty plays a central role in furthering the success strategy of any organization or company, regardless of size and activity sector.

Keep this in mind: not only does high employee loyalty translate to higher productivity and satisfaction, it also reassures employers that their work environment is of a high caliber and that they are in a stronger position to keep their highly valued employees motivated and attract more top talent in the future. ■



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The Ford booth at the CES show in Las Vegas, January 2017

PART THREE Initiating innovation

Furthering the role of HR in change management

BY ANTON VAN DER WALT AND KRISTOFER KUMFERT

As an entrepreneur running a growing business, you may think of a dedicated HR department for your company as being a sort of overhead for your enterprise- but nothing could be further away from the truth. As the number of employees in your organization grows, the HR personnel you have engaged for your team can play an integral role in building an efficient and effective work culture that inspires and encourages innovation in all of your different functions. Don't believe us? Take a look at the role the HR team plays at one of the largest companies out there (and one that stays true to its entrepreneurial beginnings), the Ford Motor Company. HR professionals at this multinational automaker are using their positions to help their company gain a competitive advantage in what is a cutthroat market- that's something you entrepreneurs should also be striving toward for your own businesses.

A lot has changed in the space of human resources over the past several decades. Gone, in large part, are the personnel departments whose focus was solely processing of employee pay and benefits. The hard-fought battles for HR to have the coveted "seat at the table" have persuaded organizations to realize the benefits of enhanced talent selection, employee engagement, and staffing to appropriate demand levels to facilitate lean operations. But the more pressing question for HR professionals is no longer how to get a seat at the table, it is how best to use that seat at the table to be a competitive advantage for the organization beyond the traditions of staffing and talent management. To achieve this, HR needs to embrace innovative thinking that takes the skill team outside of traditional areas of "expertise," and into areas of the business where their skills can be stretched, challenged, and impactful to the bottom line.

CREATING CHANGE FACILITATORS

In 2009, Ford Motor Company made a critical decision to invest in the direction of its HR professionals. The investment was part of the company's organizational



Anton Van Der Walt has served as Human Resources Director of Ford Middle East and Africa since May 2014. In this position, Van Der Walt leads the regional Human Resources functions from organization development and transition supporting the new business unit establishment, strategic workforce planning and leadership management.

development model, a system of tools and processes to achieve an effective culture through individual, team, and organizational effectiveness. An internal change process was created to guide the company's change management practices. It was about more than just helping people through change. It was about being driven by a clear business opportunity and facilitating change through to improved and sustained business results. It was anything but soft and fluffy. Ford's HR leadership, under the direction of Group Vice President Felicia Fields, developed a specific program for HR professionals to facilitate change management throughout the organization. With over 100 years of history, the company had experienced change initiatives with varying degrees of success, and this led to the decision that HR's role in managing change and facilitating the company's leadership through such initiatives would lead to a competitive advantage for the organization.

STRONG HR PROFESSIONALS PLAY A CONSULTATIVE ROLE AND BRING THEIR OPERATIONAL LEADERS BACK FROM "SOLUTIONS" MODE, AND MAKE SURE THAT APPROPRIATE DUE DILIGENCE IS EXERCISED BEFORE ANY SOLUTIONS ARE ACTIVATED.

The Ford change model was designed to be simple, practical, and effective.

- The first step is facilitating the organization to identify the issue in its entirety- the issue we're trying to solve, the business opportunity, the burning platform. This first phase involves identifying a sponsor for the change -a leader to be the owner of the initiative- and identifying critical elements like the desired state, as well as key enablers and roadblocks.

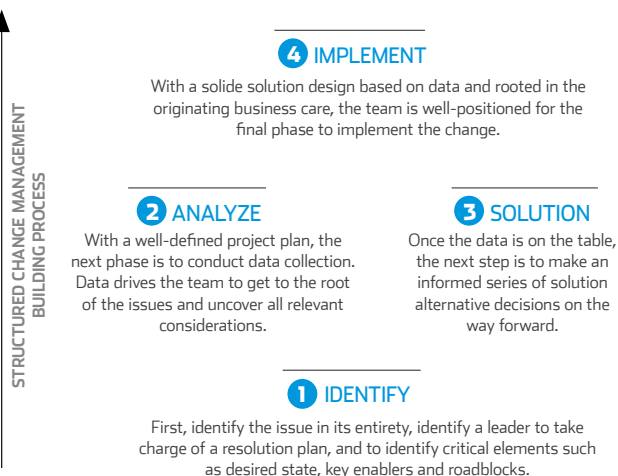
- Once the project is well defined, the next phase is to conduct data collection. Too often, change initiatives are commenced when everyone thinks they know what to do. This phase is intended to inform the team's actions, rather than affirm them. The data drives the team to get to the root of the issues and uncover all relevant considerations before designing any solutions.

- Once the data is on the table, the next step is to make an informed series of solution alternative decisions on the way forward.

- With a solid solution design based on data and rooted in the originating business case, the team is well positioned for the final phase to implement the change.

Throughout the entire process, the process is governed

ENHANCED AND SUSTAINED BUSINESS RESULTS



by common principles that include ensuring sponsorship, communication, surfacing and overcoming resistance, and attending to the culture. It is a disciplined, purposeful, and effective process to manage change from a clear business opportunity through to effective and sustainable business results.

The mantra of problem resolution training at Ford was "go slow to go fast," and HR professionals get a quick lesson on why that's so important and so challenging. While the model is usually well received among operating partners with nodding heads when it is presented, the data-gathering phase often tests a team's commitment to the process. Leaders like solutions. Solutions fix problems, so any step in between identifying a problem and implementing a solution is often uncomfortable. Strong HR professionals play a consultative role and bring their operational leaders back from "solutions" mode, and make sure that appropriate due diligence is exercised before any solutions are activated.

The results have been impactful. Staffing, development,

and organizational change initiatives have all been executed with demonstrably effective and sustained results. Training programs were expanded, funded, and supported globally to increase the number of HR professionals with a core competency in change management, demonstrating a proficiency in supporting change projects throughout the organization.

AN OPPORTUNITY TO BE INNOVATIVE

In early 2016, Ford's newly formed Middle East and Africa business unit began to experience significant market headwinds. Currency devaluations, falling oil prices, import quotas, and regional instability were causing major markets to make forecast adjustments that were bleak. There was a clear need to do something and deal with the market realities upfront and aggressively.

The initial response by the leadership was to come together with a list of action recommendations, and then decide on next steps. The discomfort of the problem was there, and everyone wanted to feel at ease with a series of solutions. >>>



The Ford Motor Company
World Headquarters
building in Dearborn,
Michigan



Kristofer Kumfert, Human Resources Manager of Ford Middle East and Africa, is responsible for human capital management activities for the design, development, and implementation of Ford's newest business unit headquartered in Dubai. Kumfert has been with Ford for almost 20 years, joining the plant protection team in 1997.

The theme quickly moved to an all-too-familiar place surrounded by questions regarding the best possible cost-effective practices. All were well intentioned, and all were tried and done before.

The HR department in Middle East and Africa was at the table with the leadership team, and identified an opportunity to provide a different approach. Amongst themselves, the local HR group discussed the key message that Ford's CEO Mark Fields delivers about being innovative, questioning traditional actions, and taking thoughtful risks. That is, when we see an area that is in need of help, we need to find ways to come together and provide whatever support we can to resolve the issue; we shouldn't just settle for actions we've traditionally done because that's a comfortable space. The opportunity of mounting market pressures was calling on the team to be innovative in the role they played to contribute to the business' ability to navigate through tough conditions.

SCARCITY LEADS TO CREATIVITY

When organizations face challenging business environments, HR has some frequent levers to pull—like staffing, benefits, and training and development. These are traditional approaches most organizations look at in a tough business environment. The challenge in Middle East and Africa was that the lean organization structure left little room for the usual solutions to be activated. The scarcity of opportunity to take actions on staffing and cut costs meant HR had to embrace a spirit of innovation in order to help drive the business forward. As the HR Director for Middle East and Africa, Anton Van Der Walt was the HR

person at the table, and was determined to push his HR team to think different. “I remember telling my team that our budget was nowhere near being significant enough to trim and cut and make a sizeable difference, so we had to do something else,” said Van Der Walt. “I kept reminding them about our need to be innovative, and work outside our usual comfortable areas. The business needs us, and we have to find a way to use our skills in new and creative ways.” The local HR team in Dubai, together with operational leadership throughout Middle East and Africa, met and discussed using the change process to purposefully guide the team through identifying, understanding, and researching the issues that could be considered to contribute to improving the company's performance in light of the business environment challenges. This was a departure from the usual change management projects HR undertook that always had a main theme about a people-based issue to be solved. This was different. The team embraced the innovative mindset to challenge custom and question tradition.

WHEN ORGANIZATIONS FACE CHALLENGING BUSINESS ENVIRONMENTS, HR HAS SOME FREQUENT LEVERS TO PULL—LIKE STAFFING, BENEFITS, AND TRAINING AND DEVELOPMENT. THESE ARE TRADITIONAL APPROACHES MOST ORGANIZATIONS LOOK AT IN A TOUGH BUSINESS ENVIRONMENT.



The Ford booth at the CES show in Las Vegas, January 2017

After a thorough definition of the business opportunity, the HR team facilitated brainstorming sessions with the broader leadership team to uncover revenue and cost opportunities, as well as new business actions to leverage untapped business streams. The team originally came into the sessions expecting the same focus on cost-efficiency with which they had become accustomed over the years, but this was different. Because the business opportunity was so well defined as being overall performance and not just cost-focused, the scope was broadened to include revenue and new business. With the brainstorming resulting in over 150 ideas, a core team met and plotted the ideas against ease of implementation and expected impact to the business unit's performance.

The result was staggering. Through HR-facilitated sessions in Dubai and South Africa, the leadership team was able to identify, action, and deliver significant cost enhancements that positively impacted the business unit's performance by millions of dollars. Moreover, everyone could feel the excitement. Taking a systematic approach to the business environment empowered people to feel that they were taking control of their destiny. According to Middle East and Africa CFO Mike Agosta: “Without HR, we never would have met as a team and followed such a process. We would have spent our time on the usual cost-related ideas with the usual results.” The team walked away stronger, smarter, and closer in large part, because they were guided by their HR partners through the change with a solid change framework.

Further evidence of the impact of the HR change activities was seen in the demand it created. Business leaders did not know that HR change management could be applied to the business in such a manner, and demand for HR's involvement in business initiatives to facilitate and guide operational groups has grown significantly.



The Ford Motor Company display at the North American International Auto Show in January 2017

It was a perfect example of creating demand by showing the customer something they didn't even know they wanted from HR.

RETHINKING "CHANGE"

The toughest mindset change for the HR team in Middle East and Africa was to challenge their limitations on what kind of change their framework could address. Were they limited to changes of people processes? Were they limited to changes of the financial impact of people? Were they limited at all? The team decided that this was their opportunity to embrace the innovative mindset to sustain the business. After all, facilitating a room full of business leaders and bringing them back from jumping to solutions and guiding them through brainstorming and data diagnosis is not where HR professionals spend a lot of their time. But the need was evident, and the team seized upon the opportunity to expand the idea of change to include any aspect of the business in need of facilitated and purposeful improvement activity.

The human resources profession has come a long way over the years. Countless professionals have tirelessly worked to earn a seat at the table. Now that they're there, the next evolution for HR leaders is to best make use of that seat, and leverage HR as a competitive advantage. As the change management process at Ford, and its expanded usage as a tool to improve the business demonstrate, there are ways for HR teams to engage with and facilitate leadership throughout the organization in ways beyond traditional people processes. Human resources professionals engage with every department and skill team, and are uniquely qualified to have among the most broadened viewpoints. Traditionally, matters outside of staffing, benefits, and other people-related issues were considered the responsibility of "operations," and HR people were free to disengage. Those days are over.

HR's seat at the table brings more than the right to a voice at the debate. It brings the duty to be part of the solution. It brings the obligation to apply tools and competencies in innovative ways. It brings the responsibility to embrace the innovation mindset and challenge the custom and tradition. In doing so, being innovative delivers a fantastic rewarding feeling, and incredible results. ■

Talent tactics

SIX TIPS TO IMPROVE YOUR CANDIDATE'S HR EXPERIENCE- THROUGH TECH

By James Randall

With technology playing such an integral part in our lives, candidates are increasingly expecting the recruitment process to be a slick, digital experience- and this demand is only going to increase. So how can HR teams stay ahead of the competition, providing easy-to-use and reliable services that present your company in the best light, and so help ensure you attract top talent? We've summarized six of the top tech issues for HR teams to be thinking about in order to improve the candidate experience.

1. Integrate For international organizations, providing a seamless, consistent recruitment process can be tough. But technology can certainly help. By ensuring that all the HR systems you choose can be integrated, you can save time and, more importantly, reduce the need for a candidate to fill in the same information multiple times. This can lead to real frustration and raise questions about the operations of an organization, reducing the likelihood of a candidate accepting a role.

2. Go mobile An increasing number of jobseekers are not only looking for jobs on their mobiles, but also applying for them through their phone. Employers need to make sure their career pages are mobile-responsive and simple to navigate to ensure that forms are completed as easily and quickly as possible. A webpage that times out or crashes could lose hours of work, and even perhaps the candidate's enthusiasm for applying for a role. Not having this functionality in place can also raise concerns that a potential employer is outdated.

3. Utilize your social media Your social media presence is your organization's shop window to potential employees: a recent Monster and YouGov study found that 59% of millennials browse a firm's website when looking for a new job. It needs to be up to date then, but can also be a helpful recruitment tool. Whether it's through Twitter hashtags, Facebook pages advertising roles, or LinkedIn job postings, there are a number of tools jobseekers

are using to find opportunities beyond traditional job posting sites.

4. Use technologically advanced screening systems Background screening is the final seal of approval in many recruitment processes, so it's vital that now that you have the best people identified, you keep them engaged. Visibility and communication are key, so make sure that you use the most tech-enabled platforms to ensure that candidates are kept up to date through personalized portals.

5. Introduce video interviews Having the capability to carry out video interviews is a win-win. Clearly, video interviews can be convenient for busy candidates and recruiters, with far fewer logistics involved in setting up than with face-to-face interviews. But there are more significant benefits too. For candidates, it opens doors, giving them the opportunity to apply for jobs across the world and really explain why they would be suited for a particular position. For employers, video interviews give access to a global pool of talented people, allows assessment of more people, more quickly and gives greater insight than can be achieved through a phone call. In addition, recordable videos can be shared with senior decision makers without the need to sit in on every interview. Hiring managers can also refer back to recorded interviews to check facts, limiting the need for follow up calls or interviews for clarity.

6. Don't be a robot There's a lot of talk around the potential for using tools such as artificial intelligence during recruitment, but it is important to remember that these should supplement HR and hiring processes, rather than replace them. Technology benefits exist in tasks such as checking CVs and applications, as well as simplifying staff training and onboarding processes. But recruitment is about culture and people, so human interaction shouldn't be removed entirely. Rather, technology should be used to supplement processes to save time for both candidates and recruiters- freeing up time to focus more on strategic talent planning.



James Randall is the Regional Sales Manager at HireRight Middle East.

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Winners of the ShjSEEN Sharjah Economic Excellence Network Awards 2016



H.E. Sara Al Madani, Board member, Sharjah Chamber and ShjSEEN speaking at the event



The ShjSEEN Sharjah Economic Excellence Network Awards 2016



The ShjSEEN Sharjah Economic Excellence Network Awards 2016



Hazaa Al Mansouri and Mohammed Al Mushrakh, winners of the Sharjah Entrepreneur Award category

Boosting business

Sharjah Chamber and ShjSEEN host Sharjah Economic Excellence Network Awards 2016

The Sharjah Chamber of Commerce and Industry (SCCI) and the Sharjah Economic Excellence Network (ShjSEEN) recognized the contributions of companies and business leaders of the Emirate at the Sharjah Economic Excellence Network Awards 2016 held on January 21, 2017 at Expo Centre, Sharjah. Held under patronage of H.H.

Sheikh Sultan bin Mohammed bin Sultan Al Qasimi, Crown Prince and Deputy Ruler of Sharjah, SCCI honored winners across business sectors in five categories. During the event, H.E. Abdullah Sultan Al Owais, Chairman of SCCI and Chairman of the Board of Trustees of ShjSEEN also launched a new category for honoring businesses under the category of top 10 GCC enterprises. H.E.

Al Owais also encouraged Sharjah's business community "to broaden their participation" in the future editions of the award, which are aimed at promoting corporate governance, encouraging adoption of quality standards and ethics, recognizing corporate social responsibility, and other skills. H.E. Sara Al Madani, Board Member of SCCI and ShjSEEN said that the organization's key focus for the year ahead will be to boost Sharjah's economic growth by "highlighting the Emirate as distinctive destination for business and modern living." ■

SHARJAH ECONOMIC EXCELLENCE NETWORK AWARDS 2016 THE WINNERS

- **The Sharjah CSR Award**
Hilton Sharjah Hotel
- **The Sharjah Green Award**
American University of Sharjah and Sharjah Police Headquarters
- **The Sharjah UAE Startup Award**
Fikra Design Studio and Bukhash Brothers
- **The Sharjah Entrepreneur Award**
Hazaa Al Mansouri and Mohammed Al Mushrakh
- **Sharjah Top 10 Businesses Awards**
Anchor Allied Factory, Kingston Holdings, Al Mosafer, Zulekha Hospital, Conmix LTD, Al Ansari Exchange and Petrofac International



مبادرات محمد بن راشد آل مكتوم العالمية
Mohammed Bin Rashid
Al Maktoum Global Initiatives

 Nobel Museum



مؤسسة محمد بن راشد آل مكتوم
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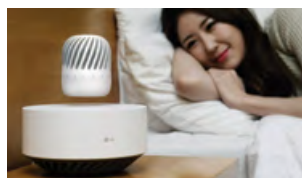
AS ONE WOULD EXPECT, INNOVATION ABOUNDED AT THIS YEAR'S EDITION OF CONSUMER ELECTRONIC SHOW (CES) IN LAS VEGAS—HERE ARE A FEW OF THE HOUSEHOLD TECH SHOWCASED AT CES 2017 THAT MADE US SIT UP AND TAKE NOTICE.

FLOAT ON

LG LEVITATING PORTABLE SPEAKER

The LG Levitating Portable Speaker (PJ9) makes a striking impression when you first lay eyes on it. It hovers in place over the accompanying Levitation Station to deliver high-quality audio. PJ9 creates the visual effect of levitating by using powerful electromagnets that are housed inside the Levitation Station. This may sound like a gimmick, but there's real

technical prowess behind this design. Levitation gives the 360-degree omnidirectional speaker its unique trait of being untouched by any surface or wires when playing. Its sound is magnified by deep bass, courtesy of the subwoofer embedded inside the Levitation Station. PJ9 also features Dual Passive Radiator technology to reproduce flush mid-range



tones and crisp highs. When its 10-hour battery begins to run low, the speaker automatically descends to the Levitation Station and begins to charge

wirelessly without interruption. PJ9 is IPX7 compliant, so you can enjoy it inside and outdoors as well. For added convenience and versatility, multipoint technology enables the speaker to connect to two Bluetooth devices simultaneously. Suffice to say the Levitating Portable Speaker ushers in a new way to hear and see your music stream.



LG Levitating
Portable Speaker

STAY COOL

LG SMART INSTAVIEW REFRIGERATOR

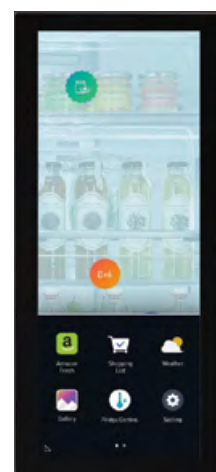


LG Smart InstaView Refrigerator

LG introduced a new kind of refrigerator called Smart InstaView at CES 2017, and let's just say that it's not your average kitchen appliance. Smart InstaView is embedded with an array of features and technology to include Amazon's Alexa Voice Service and LG's own webOS smart platform. The Door-in-Door refrigerator has a 29-inch touch LCD display, which, thanks to the InstaView feature, becomes transparent when you knock on the screen twice, thereby allowing you to look inside the refrigerator without opening the door. With webOS, you can enjoy a host of WiFi-enabled features directly on the refrigerator. Amazon's Alexa Voice Service gives

you access to an intelligent personal assistant that can search recipes, play music, add items to a shopping list and place Prime-eligible orders from Amazon.com including groceries. Smart InstaView also serves as a communication hub for the whole family. The Smart Tag menu allows you to input the expiration date of each item so the refrigerator can issue reminders when foods near expiration. Family members can set up memos for each other and create to-do lists that display on the screen. Have you ever arrived home after grocery shopping only to realize you need five more things? Fret no more. Smart InstaView has a 2.0 megapixel panoramic super-wide-lens camera that

captures images inside the fridge that are accessible via a smartphone. From food storage to family communication to smart shopping, Smart InstaView has got you covered.



LG Smart InstaView Refrigerator display

BEAM IT

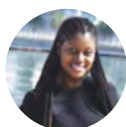
SONY PORTABLE ULTRA SHORT THROW PROJECTOR

Sony's Life Space UX concept offers new ways to transform your living space while experiencing technology. Products like the Portable Ultra Short Throw Projector, a tiny projector that can beam an image onto any surface from a very short distance, blends function and style seamlessly. The battery powered device measures 3.19" x 5.16" x 5.16" (81mm x 131mm x 131mm) and can produce an autofocused image between 20 and 80 inches. You can enjoy content via the HDMI input or a wireless hub

connected to your television or computer. It also features Bluetooth Low Energy, which allows you to stream from nearby Bluetooth enabled devices like a smartphone. And here's where the stylish element comes in- the Portable Ultra Short Throw Projector can sit atop an optional stand. With the stand, the Projector looks like a minimal piece of modern furniture accenting your living space. This small -and I do mean *small*- addition to your space improves both aesthetics and your multimedia experience.



Sony Portable Ultra Short Throw Projector



#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 and talk to her on Twitter @TamaraClarke.

'TREP TRIMMINGS THE EXECUTIVE SELECTION

From better goods to better wardrobe bests, every issue, we choose a few items that make the approved executive selection list. In this issue, we are presenting our picks in timepieces to adorn your wrist- and yes, we've got a variety to styles (and brands) to choose from.

WATCH OUT

H. MOSER & CIE

If you're looking for practicality with a prestigious touch as a tourbillon, look no further. H. Moser & Cie has the watch for you with the H. Moser & Cie Venturer Tourbillon Dual Time. Featuring the first tourbillion-based movement offered by the Swiss watchmaker, it also pays homage to its 1960s design and Bauhaus influence. Rich in tone and texture thanks to a light sunburst pattern, the two-time zone watch's collection offers ardoise, silver and red-gold style. Combining old school vibe and function, it's one you should be keen to watch out for.

www.h-moser.com



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DISTINCTIVE DESIGN

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For 'treps who like timepieces that boasts of both prime style and powerful performance, then the Carl F. Bucherer Manero Flyback in rose gold may be right up your alley. Revved up for Baselworld 2016, the brand introduces the new Manero chronograph-promising (and delivering) technical distinction, thanks to its fascinating flyback function, of course. A nod to its classic case in 18K rose gold, complete with a champagne-colored dial, endows this timepiece with incomparable refinement and modernity.

www.carl-f-bucherer.com



Carl F.
Bucherer
Manero
Flyback in
rose gold

HITTING THE BIG TIME

TAG HEUER

A collaboration between TAG Heuer and the Carrera Calibre 16 resulted in the TAG Heuer Carrera Calibre 16 Day-Date Chronograph Black Titanium watch. The lightweight piece features large minute indexes than usual for wearers who like to live life by the minute, as well as a titanium finish with a black PVD coating topped with a black ceramic bezel. Combining sleek black and vintage beige, there's something nomadic about it, and we quite like the edge.

www.tagheuer.com



TAG Heuer
Carrera Calibre
16 Day-Date
Chronograph
Black Titanium



EDITOR'S PICK

GAME, SET, MATCH

RADO

Swiss watchmaker Rado's love for tennis has been steadfast over the years, and the new Rado HyperChrome Match Point is a sign of the horologist's dedication to the sport. Building on the classy look and feel of the erstwhile HyperChrome Match Point, this limited edition timepiece's nod to tennis can be seen in its three sub-dials- besides the net-like pattern on the hour counter, the seconds counter and the chronograph minutes counter display digits, characteristic of points in tennis.

www.rado.com



Rado HyperChrome Match Point

You're not using the phone enough—and it's a problem

The *Esquire* Guy wants you to stop only texting and emailing

By Ross McCammon

HEY, WANNA FEEL OLD? Great. Let me get a startup exec on the phone. [Ring, ring] Hi there. I'm trying to reach Elena Gorman, product marketing lead at HipChat, the group chat and file sharing company. [Waiting] Elena, hello! Question for you: What do you think of when I say the word *telephone*?

"Working in Silicon Valley, I haven't had a desk with a phone on it since 2010."

You don't say?

"I can imagine a scenario where getting someone on the phone would be the quickest way to resolve a complex issue. But even with that, we have video chat and group video chat in HipChat. The only reason to ever bring up my phone is if Wi-Fi is spotty. I think most young people probably associate telephone communications at work with interviews or more high-pressure situations. In Silicon Valley, we all work at computers, right? And most of our jobs are based around using the internet in some way. To use a phone takes me physically out of my workflow. Just the manual process of dialing with my fingers, looking up a number..."

Excellent. I'd like to spend the rest of this column unpacking pretty much everything she just said. Thanks, Elena. Elena?

(I think she hung up.)

Elena Gorman has hit on the ironic value of telephonic communication. It is fear-inducing (especially to a generation of texters) because it involves stakes. Getting on the phone with someone means a decision needs to be made. You don't go to all the trouble to press seven to 10 buttons, then listen to two or three buzzes, then (possibly) speak

to someone you can't see and not be here to get something done.

But this is why it works. This is why it matters. This is why I'm here to endorse the telephone as the most valuable form of communication in business.

THE TELEPHONE PERFECTLY ILLUSTRATES A KEY TRUTH: IF YOU GO TO A LOT OF TROUBLE TO GET YOURSELF IN A SITUATION THAT FEELS A LITTLE UNCOMFORTABLE AND HALF-BAKED AND NO ONE LIKES ALL THAT MUCH, THEN YOU HAVE NO CHOICE BUT TO GET YOURSELF OUT OF THAT SITUATION. YOU'RE INVESTED. **YOU'VE MADE AN EFFORT. YOU'VE PREPARED.**

First, it's important to acknowledge the various ways in which the phone is god-awful. To begin with, it's not a sure thing. (Will the other person even pick up?) It can be really inefficient. (Phone tag.) It's strangely anxiety-producing. (*Ring. [pulse rate creeps up] Ring. [pulse rate creeps up]*) There's the annoyance of cell-phone lag. (*There's the annoyance of... Oh, sorry, you go ahead.*) And there's the thing where the other person is eating what has to be a salad with lots of blue cheese dressing and it just sounds gross.

"My students under no circumstances want to make a phone call to set an appointment," says Keri K. Stephens, associate professor of communication at the University of Texas, who is writing a book on communication in business. "I have an assignment in a class where they have to do that, and they will make up every excuse in the book—'Oh, I sent them an email! Oh, I sent them a text!' I tell them, 'No, you have to talk in real time to another human

being.' And they don't want to do it." But why? Stephens blames the fear of rejection: "Some people really don't want to bother other people. But part of the reason is they don't want to be told 'No.'"

And yet this is why the telephone is the best. It's better than texting. It's better than email. It's better than videoconferencing (which, OK, is like the phone, except with the added unnecessary worry about what you look like). It's the best form of communication in business precisely because it kind of blows. The

THE NEXT TIME YOU'RE ABOUT TO EMAIL OR TEXT SOMEONE, ASK YOURSELF THIS: **AM I AVOIDING THE PHONE BECAUSE I DON'T WANT TO BE TOLD "NO"?** AM I AVOIDING THE PHONE BECAUSE I DON'T WANT TO FEEL REJECTION? IS THIS ABOUT TREPIDATION?





telephone perfectly illustrates a key truth: if you go to a lot of trouble to get yourself in a situation that feels a little uncomfortable and half-baked and no one likes all that much, then you have no choice but to get yourself out of that situation. You're invested. You've made an effort. You've prepared. You've steeled yourself for the problems that come with talking on the phone. You're ready to deal with an awkward silence. You're ready to be on.

The telephone builds grit. And when the going gets tough, grit comes in handy.

The next time you're about to email or text someone, ask yourself this: am I avoiding the phone because I don't want to be told "No"? Am I avoiding the phone because I don't want to feel rejection? Is this about trepidation?

And while we're at it, here are some more questions to consider: am I avoiding the phone because I don't want to make the other person uncomfortable? Am I unsure of my own level of commitment to what I want to propose to the other party? Is it advantageous to have no written record of what we're about to discuss? Am I in my 20s and unclear about the nature of this strange piece of equipment on my desk that has numbers and lights on it and what looks to be a "cord" of some sort?

If you answered yes to any of those questions, then call. The telephone allows you to efficiently converse, unlike email or text. It allows you to roll your eyes, unlike videoconferencing.

Most important, it forces you to be slightly more committed to your cause. To be slightly more hopeful. Go ahead; pick up the phone. Say, "Hi there! I'm invested in this!"

Right?

Hello?

I think you have the wrong number.

Ugh. ■

WHY A PHONE CALL IS BETTER THAN AN EMAIL (USUALLY)

UNLIKE E-MAIL, THE PHONE FORCES YOU TO BE MORE EMPHATIC, MORE ACCURATE, MORE HONEST

This isn't going to be about efficiency. Sometimes the phone is a more efficient way to communicate than email, and sometimes it isn't. If two people leave a dozen messages on each other's voice mail, that's a lot less efficient than sending a single e-mail and reading a reply to it.

No, this isn't going to be about how telephonic communication helps you work faster. This is about how the phone makes you work better. Because unlike e-mail, the phone forces you to be more emphatic, more accurate, more honest.

Tell that to a neuroscientist, and before you've even finished the sentence he'll start laughing—at what you're saying, and the accompanying emotional gradients. What, you're not aware of emotional gradients? You have tons of them, and you're constantly communicating them to people— but only when you speak, not when you write.

"We're picking up and processing heard information within 50 milliseconds of someone speaking. A lot of this information doesn't get processed at a cognitive level," says Seth Horowitz, an auditory neuroscientist. "Some of the first

targets for heard information are emotional substrates, so [when] listening to someone's voice, you're picking up emotional gradients from them."

Joe Huff, co-founder of Los Angeles-based LSTN Headphones, which partners with a nonprofit that provides hearing aids to people in need, is —obviously— a believer in the power of voice.

"There have been so many times, a new store or account or potential press relationship, we've gotten on the phone with them and after the conversation, even [after] just a 15-minute story about what we do and why, they say, 'Wow, I read everything on your website, but to hear you tell it, there's a huge difference.' Because we have a passion-based business, it's really important for us to get that across."

This happens all the time in business. Yet we are still wary of picking up the phone. We don't want to bother people. We think they don't want to talk. And maybe they don't. But you're not ever going to find that out through e-mail. You'll find it out on the phone. If they stammer, hedge and pause, then you have valuable information. Maybe not the information you were looking for, but valuable info nonetheless.

"Every morning, I would start with 120 paper clips in one jar, and I would keep dialing the phone until I had moved them all to the second jar."

TRENT DYRSMID



Making good habits stick

How the "Paper Clip Strategy" can help you not procrastinate on your goals

By James Clear

In 1993, a bank in Abbotsford, Canada hired a 23-year-old stockbroker named Trent Dyrsmid. Dyrsmid was a rookie, so nobody at the firm expected too much of his performance. Moreover, Abbotsford was still a relatively small suburb back then, tucked away in the shadow of nearby Vancouver where most of the

big business deals were being made. The first popular email services like AOL and Hotmail wouldn't arrive for another two or three years. Geography still played a large role in business success, and Abbotsford wasn't exactly the home of blockbuster deals. And yet, despite his disadvantages, Dyrsmid made immediate progress as

a stockbroker, thanks to a simple and relentless habit that he used each day. On his desk, he placed two jars. One was filled with 120 paper clips. The other was empty. This is when the habit started. "Every morning, I would start with 120 paper clips in one jar, and I would keep dialing the phone until I had moved them all to the second jar," he said.

THE ENTIRE STRATEGY WILL COST YOU LESS THAN \$10. GRAB A BOX OF STANDARD PAPER CLIPS, GET TWO STANDARD PAPER CLIP HOLDERS, PICK YOUR HABIT AND START MOVING THOSE BAD BOYS FROM ONE SIDE TO THE OTHER.

And that was it. 120 calls per day. One paper clip at a time. Within 18 months, Dyrsmid's book of business grew to US\$5 million in assets. By age 24, he was making \$75,000. Within a few years, outside firms began recruiting him because of his success, and he landed a \$200,000 job with another company.

HABITS THAT STICK VS. HABITS THAT FAIL

When I asked Dyrsmid about the details of his habit, he simply said, "I would start calling at 8 a.m. every day. I never looked at stock quotes or analyst research. I also never read the newspaper for the entire time. If the news was really important, it would find me from other ways."

Trent Dyrsmid's story is evidence of a simple truth: success is often a result of committing to the fundamentals over and over again. Compare Trent's results to

where you and I often find ourselves. We want to be consistent with our workouts, but struggle to make it into the gym. We know we should write more thank you notes, or eat healthier meals, or read more books, but can't seem to find the motivation to get it done. We'd like to achieve our goals, but still procrastinate on them.

What makes the difference? Why do some habits stick while other fail? Why did Trent's paper clip habit work so well and what can we learn from it?

THE POWER OF A VISUAL CUE

I believe the "Paper Clip Strategy" works particularly well because it creates a visual trigger that can help motivate you to perform a habit with more consistency. Here are a few reasons visual cues work well for building new habits.



VISUAL CUES REMIND YOU TO START A BEHAVIOR.

We often lie to ourselves about our ability to remember to perform a new habit. ("I'm going to start eating healthier. For real this time.") A few days later, however, the motivation fades and the busyness of life begins to take over again. Hoping you will simply remember to do a new habit is usually a recipe for failure. This is why a visual



James Clear writes at 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. To have James speak at your entrepreneurial event contact him jamesClear.com/contact

stimulus, like a bin full of paper clips, can be so useful. It is much easier to stick with good habits when your environment nudges you in the right direction.

VISUAL CUES DISPLAY YOUR PROGRESS ON A BEHAVIOR. Everyone knows consistency is an essential component of success, but few people actually measure how consistent they are in real life. The “Paper Clip Strategy” avoids that pitfall because it is a built-in measuring system. One look at your paper clips and you immediately have a measure of your progress.

TRENT DYRSMID’S STORY IS EVIDENCE OF A SIMPLE TRUTH: SUCCESS IS OFTEN A RESULT OF COMMITTING TO THE FUNDAMENTALS OVER AND OVER AGAIN. COMPARE TRENT’S RESULTS TO WHERE YOU AND I OFTEN FIND OURSELVES.

VISUAL CUES CAN HAVE AN ADDITIVE EFFECT ON MOTIVATION. As the visual evidence of your progress mounts, it is natural to become more motivated to continue the habit. The more paperclips you place in the bin, the more motivated you will become to finish the task. There are a variety of popular behavioral economics studies that refer to this as the Endowed Progress Effect, which essentially says we place more value on things once we have them. In other words, the more paper clips you move to the “Completed” bin, the more valuable completing the habit becomes to you.

VISUAL CUES CAN BE USED TO DRIVE SHORT-TERM AND LONG-TERM MOTIVATION. The “Paper Clip Strategy”

can provide daily motivation, but you start from scratch each day. However, another type of visual cue can be used to showcase your consistency over longer periods of time. By stacking these two methods together, you can create a set of visual cues that motivate and measure your habits over the short run and the long run.

CREATING YOUR OWN “PAPER CLIP STRATEGY”

There are all sorts of ways to use the paper clip habit for your own goals.

- Hoping to do 100 pushups each day? Start with 10 paper clips and move one over each time you drop down and do a set of 10 throughout the day.

- Need to send 25 sales emails every day? Start with 25 paper clips and toss one to the other side each time you press Send.

- Want to drink 8 glasses of water each day? Start with 8 paper clips and slide one over each time you finish a glass.

- Not sure if you’re taking your medication three times per day? Set 3 paper clips out and flip one into the bin each time you swallow your pills.

Best of all, the entire strategy will cost you less than \$10. Grab a box of standard paper clips, get two standard paper clip holders, pick your habit and start moving those bad boys from one side to the other.

Trent Dyrsmid decided that success in his field came down to one core task: making more sales calls. He discovered that mastering the fundamentals is what makes the difference.

The same is true for your goals. There is no secret sauce. There is no magic bullet. Good habits are the magic bullet. ■



Kristina Fidelskaya

‘TREP TALK

THE BUSINESS Kristina Fidelskaya www.kristinafidelskaya.com
THE ‘TREP Founder Kristina Fidelskaya

Q What are your do’s and don’ts for up and coming fashion startups trying to grow their brands?

A “Always stay true to the company vision while having a clear understanding of the market, competitors, and target audience. Make sure the brand has a signature that is visible throughout the products, this way you are recognized immediately. We call our significant detail the Kristina Fidelskaya DNA, which is our bold silhouettes and feminine designs. Have an understanding that in growing a luxury fashion brand the business aspect is equally important as the creative aspect. They have to join hands in order to grow and be successful.

As for don’ts: don’t be overconfident. Listen to all the advice you can get because every point of view can be a powerful tool. Critics may feel harsh, but everything enables you to grow and build a stronger brand. Don’t restrict the way you think and follow the obvious path. By thinking outside of the box and pioneering, you can come up with new creative ways of launching a new idea. Don’t be afraid to reach out to your team. Employing a talented staff will help you meet

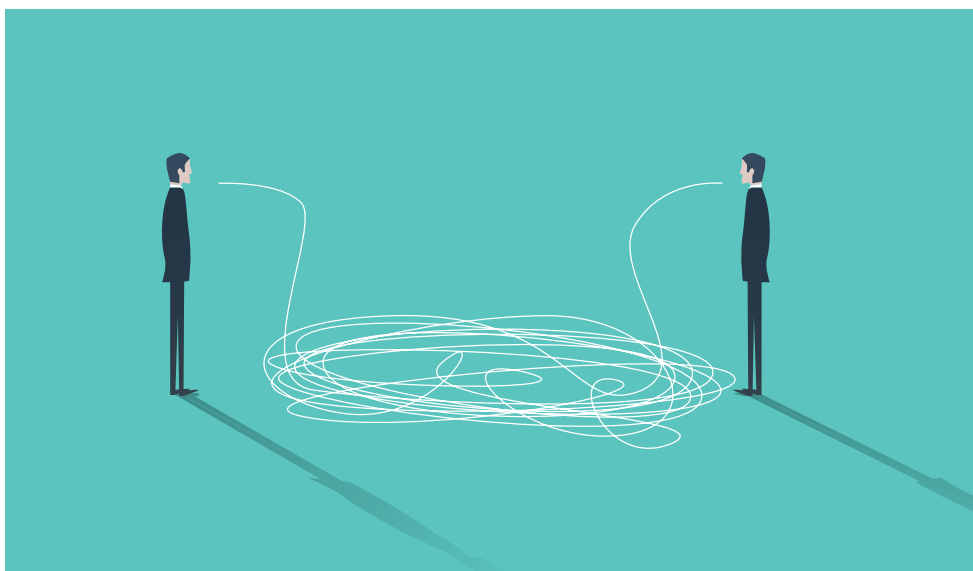
deadlines, bounce ideas, and collectively create something more than you would by yourself.”

Q What would you say is the region’s biggest challenge for entrepreneurs?

A “The pace is very fast in the MENA region, especially in the UAE. There is a lot of opportunity and a lot of investment. The speed of bringing product to market is more important than ever, [and] for young entrepreneurs, this can be a challenge. Recruitment can be challenging as well, as there is so much talent waiting to be found and bursting with creative ideas. But a lot of multinational companies are here as well, [so] an entrepreneur needs the top talent of the region, just as much as these multinationals, and [they have to thus] convince candidates that their vacancy is the best choice for him/her.”

Q What’s your advice for entrepreneurs starting a business in MENA?

A “Do not set yourself with too many limitations. Be experimental, be brave enough to take calculated risk. Be ready for a fast paced fashion lifestyle.”



LOST IN TRANSLATION

Communication, multiculturalism and the Middle East

By Liam Farrell

Clear communication is essential to good business practice, and yet so many Middle Eastern firms suffer from what we can call the “fog of war.” What is this, how can we spot it early on, and what can we do to prevent it causing poor performance in our business?

Let me begin by recounting a story of the blue stripes.

One day, in my business, I was briefing my production manager on the striped frosting I wanted applied to our conference room. To make matters easier, I drafted the design as a schematic, and as a further visual aid, I colored the glass in a blue gradient, and the frosting was in semi opaque white stripes over the blue gradient – a similitude to the final finished frosting- or so I thought.

I sat with the production manager, and discussed where I wanted the frosting and ex-

plained my illustrative drawing, pointing to the scale and touching the glass wall of the conference room to point out the positioning of the frosting versus the picture. From our conversation, I felt assured the glass would be frosted as per my specification.

After a few further update meetings in which we had discussed the frosting project (design, scale, supplier estimates, fit out scheduling and final approved quote), my production manager said the “blue stripes will look great.” I asked him to explain what he meant by “blue stripes,” and after a head-in-hands moment and a few OMGs, I finally managed to get my production manager to understand my briefing, and what my image was illustrating.

I was thus taught a very useful lesson in Middle Eastern comprehension: take nothing for granted. Ever. Ironically, one of the first things that

become quite clear when you start working in the Middle East is just how much confusion surrounds everyone in the work place. Uncertainty seems to cloud every day and almost every decision. In your first business in the Middle East, you may think that it’s just your company that’s riddled with confusion, but then you start a second, and a third, and before long, you recount how almost every interaction in the Gulf is tinged with uncertainty, misdirection, or total confusion.

For everyone in the region, this must be a frustration: for clients, an annoyance, and for business leaders, a real cause for concern. Getting a coffee order wrong or missing a dish from your starter course is a daily frustration we can all deal with, but for an entrepreneur, trying to get and then keep a firm off the ground, daily confusion is a real cost business leaders can ill afford.

Linguistics is clearly a key factor in regional miscomprehension. An insight we discovered is almost everyone in the Middle East is talking to each other in a foreign language. While English is the common tongue and de facto business language, actual native speakers are few. Everyone’s comprehension is subject to translation, every order and instruction is being translated, and a lot can go wrong. For an illustration of the issues with comprehension, try to share a 13-digit telephone number with someone else. How many times does it take to get it right? Simple specifics like a telephone number or email address typically require a few goes to get right. Expand this situation to your detailed and specific brief, and you can begin to imagine how little comprehension should be expected between people of the same tongue- now, add in a translation.

They say people hear but rarely listen, and this can be true here as much as anywhere. Listening is key to comprehension. Experts believe that humans comprehend better if they have heard the message before- hence why good presenters sum up. A lot of people use monologue rather than real dialogue when talking to their teams- hammering their message at an indifferent recipient, instead of engaging them in a two-way discussion. Active listening massively enhances comprehension. You need your message’s recipient to be actively engaged in your communication for them to be able to comprehend your instruction or request. Asking your recipient to repeat what you say is also just repetition, not comprehension. It’s



Liam Farrell is Unisono’s Founding Partner and Executive Creative Director. The branding firm Liam started back in 2006 is the only branding practice in the entire Middle East to be inaugurated into the REBRAND Hall of Fame. Liam is probably the region’s most highly awarded branding designer with a slew of international branding awards from notable creative shows such as REBRAND, Transform, Design & Design and the German Design Council. As well as his awards, Liam’s work regularly features in online branding blogs, design books and archives. Liam is also currently the strategic communications sponsor for EO Bahrain.

more effective to ask your recipient to explain what they are going to do, based on the instruction, in their own words. Then you will know they have fully understood and internalized your communication.

Multiply these cultural and linguistic issues together, and you have the causation of some fantastic misalignment. We can begin to understand why business leaders in the Middle East often complain that they are not understood by their teams. So is there a remedy leaders can rely on? Is there a way through the miasma? Well, we have realized a few solutions and offer up this simple checklist for reducing confusion in your business.

- Firstly, lower your expectations of comprehension. If your recipient can grasp three out of five of your instructions accurately the first time, then you are doing well. Brief in and check up often. It's not so much micro management, as the frequent steerage of an eternal beta.

- Make it a point to consider the cultural etiquette of your recipient, and how they deal with miscomprehension of a senior's instructions.

- Remember that we are all communicating in a foreign language, so use simple, idiom free language. Explain what you mean in different ways. If you need to use troubling words, explain what they mean, and get the recipient to own their understanding of those terms.

- Get your team to repeat your message in their own words, to explain what you meant rather than just blindly repeat your request and then "debrief and debrief" until they can clearly comprehend all your points correctly in ways which are meaningful to them.

- Remind your team that it's ok not to understand and get your people to practice saying "I'm sorry, I didn't fully understand that last bit; can you rephrase it for me"?

- If all else fails, don't deviate from the items on the menu- just point and smile! ■

| THE FIX |

Rise of the machines (really)

AI IS TAKING THE PLACE OF A FEW EMPLOYEES AT A JAPANESE INSURANCE COMPANY

It was a year ago, in January 2016, when the World Economic Forum released *The Future of Jobs* report that analyzed the possible impact of the "Fourth Industrial Revolution" on global labor markets. The study stated that the global workforce needs to brace for significant churn in job roles, as "a net employment impact of more than 5.1 million jobs" worldwide could be seen over the period 2015-2020. If you think that just factory/blue-collar workers need to worry about the advent of robots, the study also noted that two-thirds of this job loss could be "in routine white-collar office functions." It's just been a year since this study, and perhaps worryingly, a few key findings are already taking shape.

According to Japanese national daily *The Manichi*, Japanese insurance company Fukoku Mutual Life Insurance is planning to lay off nearly 30% of its assessment department staff and replace them with an artificial intelligence (AI) system. The publication reports that in total, 34 people

are likely to be made redundant by March 2017, and the company will spend "about 200 million yen" to install the AI system, "which is based on" IBM's Watson. As for the benefits, the company estimates savings of about 140 million yen annually by trimming down staff, and improved efficiency in tasks such as reading medical certificates and other documents assessed to make payouts. While the authority to determine payouts will be retained with human staff, the system is expected to help scan for special clauses or oversights.

This is not the first instance of use of AI among Japanese business houses. Perhaps owing to its population demographics (largely ageing workforce), and being leaders in adoption of advanced futuristic tech, Japan has already implemented use of AI and robotics in its industries. *The Manichi* counts Dai-ichi Life Insurance and Japan Post Insurance as other insurance companies that have already introduced AI systems, although there are no reports of staff cuts.

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FIVE FINANCIAL ELEMENTS YOUR BUSINESS NEEDS
TO GET RIGHT- AND THUS GAIN A COMPETITIVE
ADVANTAGE IN THE MARKET

By Dr. Christiane Schloderer and Heather Henyon

To borrow from Charles Dickens, it was, at one point, the “best of times” for this company that we shall call XSOFT, a promising software startup. XSOFT had US\$2 million in the bank from an equity investment funding round the prior year, a super motivated team of 20 people that were running in full force, and a slew of various awards that were a testament to its prowess and potential. In terms of finances,

the cash was there, they believed it would last them until next summer, and revenues should kick in by springtime. With this picture in mind, the COO made rough financial projections which he updated every now and then, the bookkeeper entered the spend month by month, and the team continued to happily code. The product seemed to be making progress as well, with first sales being made on the platform.



And then, disaster struck: the software development team lead said he would need four more weeks to debug the product's latest feature. The CEO thought, well, that's bad, but four weeks is not the end of the world. But then, the next day, the bookkeeper called. He wanted to make payroll payment; however, the bank balance was almost down to zero. He also mentioned that most customers had delayed their payments, asking for proper invoices, which XSOFI had not yet provided. Cut to three months later, and almost all of the team were gone, the CEO spent most of his time running from VC to VC without much hope of securing new capital, the product development had come to a grinding halt—the company was close to shutting down.

XSOFI had started off as a really promising company, yet it failed miserably. What had gone wrong?

This story—as extreme as it sounds—is often the reality for a lot of young companies. In our daily work with Athena CFO, we see many companies with financials that aren't managed properly. Based on our experience, companies with neglected financials have a severe disadvantage in the market, and often fail to achieve sustainable success. With that being the case, we would like to draw the attention to five financial elements of your company that can be easily managed with a bit of attention, but can endanger the venture if not managed properly.

1. FINANCIAL PLANNING

Financial planning means to build a financial model that more or less accurately predicts the future. This model will give an estimate on rev-

enues, costs of goods sold, overhead and cash flow. Obviously, in a young company the model will not be accurate and is based on many assumptions. As the company develops, more and more

of the assumptions become reality or can be tested reliably.

A good financial model has a separate section for assumptions, uses lots of formulas linking to those assumptions, goes not only deep (i.e. covers a wide spectrum of revenue and cost components), but also wide (i.e. covers minimum a quarterly or better monthly overview and runs up to three years). In a good model, the timing of funding requirements are easily visible and worst and best case scenarios flow through the model. A very good model has assumptions that accurately describe the key revenue drivers and model along with expense forecasts as the company grows.

A WELL DRIVEN BUDGETING PROCESS HAS THREE ELEMENTS: IT ALLOWS FLEXIBILITY ONCE THE WORLD AROUND THE COMPANY CHANGES, IT IS REASONABLY TIMED, AND IT ALSO ALIGNS THE DEPARTMENTS OF THE BUSINESS TO THE SAME COMPANY OBJECTIVES.

Developing a financial plan is cumbersome. It eats up a lot of time of the whole team, time that could be spent talking to customers. But worse: a financial plan of a young company is never how the future really plays out. The company will pivot and change over many iterations; nonetheless, capturing the key assumptions are critical. A strong financial plan helps in various ways:

- It supports the structuring of the team's thinking;
 - It identifies the company's revenue drivers;
 - It uncovers missing or overlooked elements of the business;
 - The process of drafting the plan prompts the team to think about spend, which again leads to financial discipline.
- Going back to the earlier example of XSOFI, developing a financial plan would have been crucial to ensure its long-term success. With it, the start-up team would have seen that cash was limited months earlier, and could have thus assigned resources towards cost discipline and fundraising.

2. FINANCIAL INFRASTRUCTURE

Comparable to a city's traffic infrastructure, a company's financial infrastructure is the backbone, the core, of the company. It starts with the streets (an ERP or financial bookkeeping system for smaller companies, inventory tools, sales force, HR tools, etc.), over junctions linking streets (the connections between and into other systems or channels—like the customer's accounts payable >>>





functions or the logistics team), and the road rules (i.e. the policies, processes, and governance structures) to the traffic police (the controls and the governance body).

Without traffic infrastructure, a city would collapse when there is a sudden increase in traffic or an accident blocking the road. The same thing happened to XSOF: for weeks, there was no invoicing— customers didn't pay. It's clear that they hadn't invoiced properly or followed up on payments— a clear credit collection policy would have helped. After all, no customer in the world pays without having received a request to do so. So, in terms of best practices, companies need to ensure that:

- They have the right systems and tools in place. In today's world, there are dozens of suitable apps and tools online available for a minimal charge for accounting, HR, expense claims, CRM, inventory management, reporting, point of sale, document management— you get the point. No company should run their accounting on Excel, or have tedious expense claim processes, when they can easily set up a professional system.

WITH XSOF, A CFO WOULD HAVE ENSURED A FINANCIAL PLAN IS IN PLACE, THEY WOULD HAVE SEEN THE CASH FLOW NEED WELL IN ADVANCE, AND THEY'D HAVE THUS STARTED THE FUNDRAISING PROCESS. A CFO WOULD ALSO HAVE TOLD THE CEO THAT THEY NEED TO BE VIGILANT IN THE COMPANY'S SPENDING BEHAVIOR, AND THEY WOULD HAVE PUT CONTROLS IN PLACE TO MAINTAIN A RECORD.

- The systems work. This is somewhat obvious, but often they don't, and specifically do not interlink between the tools, which could help avoid a huge amount of admin work in bridging between them.
- They have a suitable level of policies and procedures in place: too much ties the company down and kills creativity, too little results in chaotic processes, intense coordination of team members who might not be 100% familiar with their tasks cost time and leads the attention of the high management (such as the CEO) on such small details instead of important tasks in order to be able to lead the company to success.

At our organization, Athena CFO, we usually start with a small business accounting system like Xero or Quickbooks, and then integrate other tools like an HR tool, a document management tool or an expense claim tool like Xpenditure or webexpenses. Data can usually be integrated between the tools automatically. Yes, setting up and running those tools costs a bit of money; however, if at the same time you can save on admin tasks, there is usually a business case to be made for it.

3. BUDGET

A budget is a plan for spending, but also for income, usually broken down by month for the upcoming year— and yes, should be completed prior to the start of the year! Personally, we don't like budgets. They are rigid, they often limit a team's creativity, and they are a lot of work to set up and maintain. But we still believe that as soon as companies grow to a certain size, budgets are essentially required.

There are two components to a good budget: a well-drafted budget, and a well-driven budgeting process.

A good budget finds the right balance between a forced down number and a bottom up generated figure. It further supports —similar to the financial planning process— the structuring of the team. It also helps the team to stay within a certain limit spending; it gives them something to work within.

A well-driven budgeting process has three elements: it allows flexibility once the world around the company changes, it is reasonably timed (i.e. the budgeting process happens in un-busy times and does not take too long), and it also aligns the departments of the business to the same company objectives.

For XSOF, a budget would have meant to allocate funds to, let's say, the development team and the marketing team— within the available funds. For one of our customers, a budget process meant to give the teams a range to work within. They did not know if they could hire the expensive but super good consultant, or if they should rather take a cheaper but weaker recruit. As a consequence, they discussed forever on it, but never came to a decision. Once we put a budget in place, they were able to calculate the impact and the remaining funds, and then moved on to the next topic on their table.

REPORTS HELP TO STRUCTURE AND TO IDENTIFY A PATTERN. THERE IS A GOOD CHANCE THAT ONCE YOU HAVE SET UP A REGULAR REPORTING STRUCTURE, IT WILL TAKE YOU ONLY VERY LITTLE TIME TO GO THROUGH. YOU WILL KNOW THE DRIVERS OF YOUR BUSINESS WITHOUT SPENDING MUCH TIME ON THE REPORT.



Heather Henryon,
co-founder,
Athena CFO



Dr. Christiane Schloderer, Founding Partner, Athena CFO

4. REPORTING

In our daily work with SMEs and small corporates, we are constantly surprised at the low level of reports that are being prepared, discussed, and shared with the team. Shareholders need high level key performance indicators (KPIs), management need to be able to get involved when necessary, and department heads need to be able to drill down into their own strategic reports.

Of course, no one wants a company that has a lot of the workforce reporting most of the time. I have worked with a company where the finance manager could not go to meet the customer and discuss the outstanding payment because he had to prepare the report. But I have also worked with companies that had no idea how much they spent two months ago and did most of their business decisions based on a very short-term memory.

Reports help –again– to structure and to identify a pattern. There is a good chance that once you have set up a regular reporting structure, it will take you only very little time to go through. You will know the drivers of your business without spending much time on the report.

5. FINANCIAL EXPERTISE ON THE TEAM

Many CEOs I met have a relatively good understanding of financials,

some come with an MBA, others however, say: I am not a finance person; I don't want to deal with the numbers. Whatever financial expertise the CEO has, there are usually three levels of finance competence any company needs:

TRANSACTIONAL TASKS A bookkeeper, an accounts payable accountant or a business analyst- these employees form the core of this particular function. They are often easy to source in the market and not too expensive. However, most of them do not have experience in the higher-level financial decision-making.

FINANCIAL MANAGEMENT The accountant, the controller, the senior analyst: these are the people who translate the numbers into business language. They go to customer meetings, engage with banks, and support the business units in their decision-making.

STRATEGIC FINANCE This is typically done by the CFO or the finance director. On this level, finance becomes very valuable for an organization because this person brings in specific financial competences that have an exponentially positive impact on the organization. The strategic finance person should also interact with the CEO and is part of the management team. Often, the CFO reports directly to the company's board of directors as a matter of good governance. A CFO does not need to be expensive though- they can be hired part-time or on outsourced basis; we, at Athena CFO, have such part-time staff available.

An issue that can occur here is when a small company tries to combine all of the above three competence levels into a single role. The problem is that a good bookkeeper is usually not a good strategist, and a good CFO often gets bored building

reports. We have worked with several companies where the CEO ended up taking the strategic finance role, bridging between the accountant and the management. While many CEOs might have a very solid financial understanding, taking on this role is not what they should be doing: CEOs need to be out there, developing strategies, talking to customers and guiding the team, not fundraising or reporting.

With XSOFT, a CFO would have ensured a financial plan is in place, they would have seen the cash flow need well in advance, and they'd have thus started the fundraising process. A CFO would also have told the CEO that they need to be vigilant in the company's spending behavior, and they would have put controls in place to maintain a record.

THE STRATEGIC FINANCE PERSON SHOULD INTERACT WITH THE CEO AND IS PART OF THE MANAGEMENT TEAM. OFTEN, THE CFO REPORTS DIRECTLY TO THE COMPANY'S BOARD OF DIRECTORS AS A MATTER OF GOOD GOVERNANCE. A CFO DOES NOT NEED TO BE EXPENSIVE THOUGH- THEY CAN BE HIRED PART-TIME OR ON OUTSOURCED BASIS.

In sum: entrepreneurs are busy. They worry about product development and customer acquisition. However, even the most busy entrepreneur eventually needs to have access to enough funds to run and develop the business- and funds come both from fundraising, as well as from customer payments, and is reduced by spend.

As with most things in life: funds don't just happen. Having enough funds means to be properly prepared, to have the right structure in the business and the right people working on it- internally or externally. This is where being financially well managed can save a lot of hassle, time and money down the line. And often it is a key differentiator from your competition- and thereby allows your company to grow. ■

Dr. Christiane Schloderer and Heather Henyon are the co-founders of Athena CFO. Athena CFO supports investors and management of growing companies strategically throughout the company's life cycle with their financial needs such as fundraising strategy and readiness (debt or equity), capital and share structure (incl. ESOP), reporting (investor or stakeholder), cash and profitability improvements, financial restructuring and more. Athena CFO's team also takes part-time finance role responsibilities and operates a company's finance function on an outsourced basis.

With experience as a Corporate CFO, Finance Specialist and Turnaround Expert, Dr. Christiane Schloderer has helped a joint venture in Saudi Arabia grow from 500 to 1000 employees in two years, has financed "unfinanceable businesses" and worked with a number of companies to increase performance. Heather Henyon is an investment guru, microfinance expert and angel investor network founder. Heather has closed more than 20 microfinance debt transactions, founded the first social business in the Arab region, and launched the first women's angel investor group in the Middle East.



Maximizing value

Four ways to better your business's chances of a successful exit

By Ara Sahakian

You have devoted countless hours and made numerous sacrifices to achieve the dream of many: to build a successful business. It's now time to reap the fruits of your labor, and start enjoying your financial freedom. It's time to plan your exit.

Selling your business can be one of the most financially rewarding, yet stressful events in your life. It can be a grueling process, taking away precious time from operating your business with no certainty of financial close, as transactions can fall through at any point in time.

Many transactions are abandoned during the due diligence process, when large deal issues or a combination of smaller issues are highlighted to investors by professional advisors. In many cases, these deal issues could have been avoided by owners.

Based on our experience with transactions, the following are four simple improvements you can make to your business to increase its valuation, help negotiate better terms and increase the likelihood of a successful transactions.

1. BUILD A MANAGEMENT TEAM You are key to your business, making the most important decisions and even

driving sales. But do you have a succession plan in place? Although investors are likely interested in your business due to your leadership, you are probably the single largest risk to them.

The simplest way to mitigate this risk is to plan for your own succession and build and empower a management team. This may require a cultural change and will definitely require strong operating and reporting systems, regular management meetings and significant investment in developing your people.

Sharing the reins may be your biggest challenge ever. But it will be well worth it as it may give you an additional exit option- exiting without really exiting. If your business is being successfully managed by a team, you may not have to sell your business. Instead, you could move to a board position, reduce your day-to-day involvement and enjoy whatever it is you prefer to be doing.

2. BUILD A STRONG FINANCE TEAM

When was the last time your finance team questioned one of your decisions? One of the most common deal issues that can be avoided is a weak finance team.

Investors need to rely on financial information to make their investment

decision and need a strong finance team to help them manage the business post acquisition. Without accurate financial information, informed decisions cannot be made.

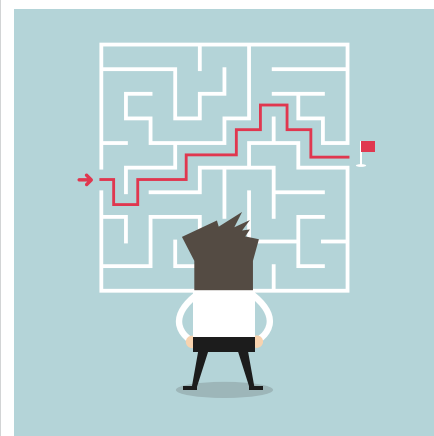
A strong finance function requires a strong leader that can challenge and add value to your decisions, has modern financial reporting systems in place, produces accurate and timely monthly reports, tracks budgets and forecasts and produces annual audited financial statements.

A strong finance team can work well with a management team, helping you exit without really exiting.

3. LEGAL STRUCTURE One of the most common avoidable deal breakers is not having the proper license in place reflecting the activities of your business. Investors will simply avoid acquiring a business that may breach local laws, therefore, getting the right license is imperative.

If you have multiple licenses or businesses, it may also be useful to have a legal holding company structure to facilitate the transfer of your shares to the new shareholder. An offshore holding company structure may be useful for holding local company shares, allowing more tailored shareholder agreements with different classes of shares under English law.

SHARING THE REINS MAY BE YOUR BIGGEST CHALLENGE EVER. BUT IT WILL BE WELL WORTH IT AS IT MAY GIVE YOU AN ADDITIONAL EXIT OPTION- EXITING WITHOUT REALLY EXITING.



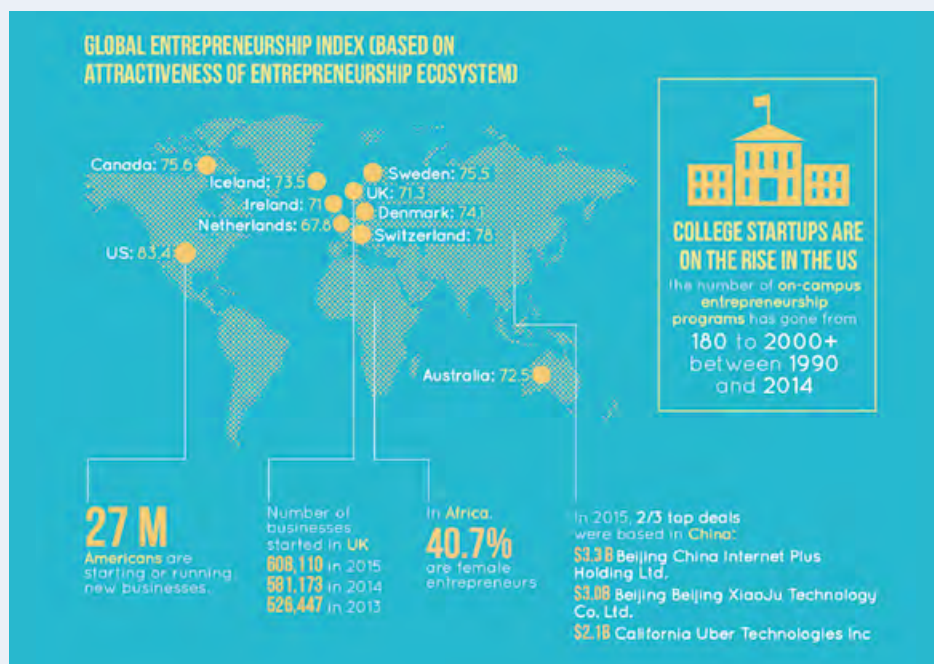
Ara Sahakian is an investor, advisor and a business owner. Previously a director at HSBC Private Equity ME, he is the founder of Incubate Advisory, a boutique transaction advisory firm, helping private equity investors and business owners with acquisitions and exits. A CPA and CA with a Masters degree in Accounting, Ara began his career with PwC Toronto and helped establish the transaction advisory practice in PwC Dubai. Ara has founded several successful businesses and continues to seek investment opportunities. www.incubateadvisory.com

Other avoidable deal issues include not having a brand properly registered, operating under a different brand than the registered trade license and employees not registered under the trade license.

4. SELL SIDE DUE DILIGENCE One service that can help you prepare for an exit is a sell side or vendor due diligence, whereby a professional advisory firm, such as my company, Incubate Advisory, is hired to perform a due diligence on the business on behalf of the business owner. This is a proactive approach whereby risks are identified and addressed early in the process, before they become deal breakers. It also helps prepare for potential negotiating points and may even highlight matters that may potentially increase the value of your business. A sell side due diligence may also give potential buyers comfort before investing, augment internal resources for a potential transaction and put the business owner in control of the process, accelerating the time to close.

Selling your business can be a time consuming process. The key to adding value to your business before you exit is being prepared. You may want to consider hiring professional advisers to help you manage the process, and to help you maximize the value to your business. ■

This article by Ara is based off a talk he gave to the British Business Group Dubai & Northern Emirates at a breakfast session on the subject of exit strategies, focusing on how to add value to your business prior to exit or raising capital. The British Business Group Dubai and Northern Emirates (BBG) is the region's foremost business-to-business membership networking group, enabling like-minded professionals to further their business interests in the UAE and wider region. www.bbgdubai.org



Trend watch

CHARTING THE GROWTH OF ENTREPRENEURSHIP AROUND THE GLOBE

By The Infographic.ly Team

In today's complex economic environment, entrepreneurship and innovation have been key in establishing a new status quo that shies away from the Pareto efficiency model. As the famous economist Joseph Alois Schumpeter said: "Carrying out innovations is the only function which is fundamental in history." Had he been alive today, Schumpeter would've witnessed his "entrepreneurship theories" come to life, as the landscape of today's economy accommodates more startups and entrepreneurs and more VCs.

In the US alone, the number of on-campus entrepreneurship programs offered in universities has increased from 180 to 2000+ between 1990 and 2014. 27 million Americans are starting or running new businesses. It comes as no surprise that the US itself tops the Global Entrepreneurship Index (GEI) due to its attractive ecosystem, resources and infrastructure. On a global scale, top performing countries present in the same list include Switzerland, Canada, Sweden, Denmark, Australia, UK & Ireland, Netherlands. The United Arab Emirates ranks 19th with an index of 58.8.

Another major entrepreneurship indicator is VC activity. Indeed, in the past two years, the

total value of VC activity has been steadily growing from US\$55 billion in 2013 to US\$148 billion in 2015, experiencing almost a three-fold increase. The US dominated in terms of numbers of deals and total value: 3916 deals and US\$72.3 billion. It is interesting to note however that two out of three of the most important deals were China-based. The VC activity in China in 2015 totaled US\$49.2 billion with 1611 deals, an impressive number when compared to European activity, the latter completing 1598 deals of a total value of US\$14.4 billion.

While the "unicorn club" is looking bleaker for recent entrepreneurs to join, continuous "innovative activities" are considered as a sign of a healthy economy and economic well-being, since it inherently develops a country's general output and increases the "knowledge stock." However, at the rate at which technology is changing, we now talk about the rise of "intrapreneurs". They are people with entrepreneurial spirit within companies that take the necessary risks in an effort to keep innovating, and getting ahead of the curve. Check out the infographic to get a sense of more of the trends being seen in entrepreneurship around the globe.

Infographic.ly is a UAE-based information design agency that uses your data to design compelling visuals your audience can understand. Core services include infographics, motion graphic videos, data visualizations, reports and presentation design. MasterCard, Mercedes Benz, TED Institute, WIRED UK, Reebok, BMW Foundation, and Dubai Prime Minister's Office are some of the notable brands & companies Infographic.ly has designed for.



Moving ahead

WHY THE UAE'S NEW VENTURE CAPITAL REGULATIONS
WILL HELP THE ECOSYSTEM

By Jon Richards

At the beginning of the year, the UAE government announced new regulations for venture capital funds operating in the country. And while the actual wording of the new regulations hasn't been released—even lawyer friends of mine haven't been able to get their hands on the document—the announcement contains plenty for entrepreneurs and venture capitalists to sink their teeth in to.

What will the new regulations mean for the local ecosystem? Well, we'll get into the finer details of the announcement in a minute, but let's start by providing an overview. Essentially, the regulations result in more checks and balances being imposed on venture capital firms operating in the UAE. So are the new regulations a bane, creating extra paperwork when what we need is more dynamism? Or are they a boon, bringing the UAE venture capital scene up to international standards?

I'll say from the outset that I believe the regulations are a positive development, and should achieve their stated

aim of attracting venture capital funds to the country. And I'm not alone in that belief—plenty of investors, lawyers and entrepreneurs I've spoken to share the same optimism about the new legal system.

So what does the system entail? Well, for starters, it imposes reporting obligations on venture capital firms. If the value of the assets under your management exceeds AED180 million, you'll have to issue an annual report according to IFRS standards, appoint a risk management officer, and ensure that your risk exposure is equal to or less than the fund's net asset value. And if the value of the assets under your management is less than AED180 million, you won't have to worry about a lot of that stuff, but you'll still need to draft an annual financial report, as well as stick to the rule regarding risk exposure.

So, if you're a really large firm, you'll have to conduct proper, world-standard financial reporting, and even if

you're not that large, you'll still have to manage your risk exposure. That's a key point to take away—the UAE government is encouraging venture capital firms to be responsible with their investments with these regulations.

Now, you could argue that this might create a climate in which venture capital firms become more risk-averse, thereby impacting investment for startups that need funding. But, to me, that shouldn't be a worry. Venture capital firms, by their very nature, assume a certain amount of risk when they invest in startups. Bringing their accounting practices up to international standards won't change their hunger for buying into exciting new businesses.

As the owner of startup, then, getting investment will simply require that your business plan be backed up by solid financials. If you have enough startups doing that, before you know it, the good-practice bar for accounting will have been raised across the ecosystem.

This is crucial if we're to attract international venture capital firms to the region. Not to take anything away from the ones already operating here, but we want more. More investors means more competition, and that means better valuations and a more diverse ecosystem. At Series B, for example, where serious money is needed, there are only a very small number of players that can actually take part in the rounds. Attracting international investors should help to plug that gap.

The new regulations also deal with how funds should be allocated. The headline here is that at least 70% of a venture capital firm's assets should be invested in one of more of a few domains. That includes new or troubled



Jon Richards is the co-founder and CEO of the Middle East's leading finance comparison site, compareit4me.com. With 10 years of digital marketing experience in the UK and the UAE, Jon first immersed himself in the Middle East's digital startup ecosystem with propertyfinder.ae. Jon founded compareit4me.com in August 2011 and moved into a full-time role as CEO of the company in 2014. His passion for innovative technology and industry disruption has led to him continually pushing to expand the compareit4me.com brand and its offering. The company has so far raised almost US\$6 million from some of the region's leading VCs, employs around 65 people, operates across nine countries. compareit4me.com also recently launched the UAE's first transactional car insurance comparison portal.

projects (though they'll only be able to invest 30% of their assets into these sorts of businesses), and equity instruments issued by unlisted companies (read: most SMEs looking for funding). Venture capital firms can also choose to invest in units of other venture capital firms, though only up to 10% of their total assets.

IF YOU'RE A REALLY LARGE FIRM, YOU'LL HAVE TO CONDUCT PROPER, WORLD-STANDARD FINANCIAL REPORTING, AND EVEN IF YOU'RE NOT THAT LARGE, YOU'LL STILL HAVE TO MANAGE YOUR RISK EXPOSURE. THAT'S A KEY POINT TO TAKE AWAY- THE UAE GOVERNMENT IS ENCOURAGING VENTURE CAPITAL FIRMS TO BE RESPONSIBLE WITH THEIR INVESTMENTS WITH THESE REGULATIONS.

There's quite a lot to unpack there, but the long and short of it is that the regulations are encouraging venture capital firms to not only ensure that their funds are actually being used to invest in UAE businesses, but also that the funds are distributed fairly across a range of business types.

We don't yet know how the new regulations will play out, but as they're imposed on the market, I reckon that we'll begin to see a more dynamic investment landscape that encourages and rewards innovative startups with solid financials. This doesn't mean that you'll have to be raking in serious cash in order to receive investment; it simply means that, if you can demonstrate an ability to turn a profit with your business plan, you'll be more attractive to investors. That much should be obvious to any business owner anyway, but that obligation is now being written into the legal framework.

I look at these new regulations with a sense of optimism— anything that encourages venture capital firms coming to the Middle East and investing more money has to be a positive thing. The ecosystem needs to continue to grow. We've seen some great results with the likes of Souq.com, Careem and Propertyfinder raising serious money. And as some of these guys start to exit —whether that's listing or actually M&A activity, or whether they exit to bigger, international players— there'll be even more of a reason for international firms to invest in this region. And that'll pave the way for newer startups to get funding. ■

Time to talk digital

Get ready for ArabNet Beirut 2017

Over 30 sessions, insights of 80 speakers, more than 15 hours of workshops, four challenges, and much more await participants at ArabNet Beirut 2017, set to be held on February 20-22, 2017 at Hilton Habtoor Grand Hotel in Beirut. In its eighth edition, the key regional gathering of digital businesses estimates over 1,300 corporate executives, entrepreneurs and investors to come together to discuss the latest trends in the region's tech sector. ArabNet believes that with the venture capital climate in Lebanon being robust than ever, the conference could be a perfect venue for the tech and entrepreneurial communities to explore partnerships. The key components of the three-day conference include The Banking Innovation Day, a session that will bring together bankers and tech companies to discuss innovations in the areas of digital marketing and digital products, sessions around the state of innovation and entrepreneurship in the region, and discussions on latest technologies that can be leveraged by the advertising, media and marketing world.

Besides keynotes and workshops planned for the three days, ArabNet Beirut also plays host to ArabNet's flagship Techfair exhibition that will feature over 50 tech regional and international companies and



A scene from ArabNet Beirut 2016

their products. For the entrepreneur community, the event organizes the Startup Battle competition— a pitch competition for growing companies, and The Ideathon competition for aspiring entrepreneurs to showcase their business ideas to entrepreneurs and investors. Also on the agenda this year are creative challenges such as the Creative Combat, which hunts for young talents in the regional advertising and media industries, and Innovation Avenue, a challenge offering hardware developers and designers in the MENA region to showcase their products. Speakers who will be a part of the event include Elizabeth Lumley, MD, London Startup Bootcamp Fintech, Olivier Cohen, Regional Manager – Middle East, Hootsuite, Erik Katz, founder and CEO, Circuit Launch, and others. Beirut Digital District, OMD, LBC International and others are a few partners for the conference.



A panel discussion at ArabNet Beirut 2016



The Digital Leaders gathering at Alserkal Avenue in Dubai



IBM's J.J. De La Torre with guests at the Digital Leaders session



Emirates NBD's Pedro Cardoso and du's Stacy Holland



The gathering for the first Digital Leaders session in Dubai



Digital discussions

UAE digital execs come together for IBM-powered "Digital Leaders" session

Some of the UAE's most prominent figures in the country's digital space came together in January in Dubai's Alserkal Avenue for a close-knit gathering powered by IBM, which saw these professionals discuss the digital challenges they face across industries, and how they can help support and move forward a digital agenda in the Emirates. Led by J. J. De

La Torre, Digital Transformation Leader for the Middle East and Africa at IBM, the invite-only breakfast session for the UAE's "Digital Leaders" saw representatives from sectors like telecom, banking, media, etc. come together and engage in conversations on furthering digital adoption in the country. The event had attendees from both the corporate and startup spaces—these included Stacy Hol-

land, Vice President – Digital Experience, du, Pedro S. Cardoso, Head of Multichannel and CRM, Emirates NBD, Wissam Younane, CEO, BNC Publishing, Philip Bahoshy, founder, MAGNiTT and Aby Sam Thomas, Editor in Chief, *Entrepreneur Middle East*, among others. Commenting on the gathering, Bahoshy said, "MAGNiTT looks to bring together startups and stakeholders from across the ecosystem. Connectivity and discussion is key to that proposition. As its founder, I believe more collaboration and cooperation is needed across the MENA region to

help support startups. Efforts like this are great in creating those links and connections, which previously wouldn't have taken place." As the organizer of the event, De La Torre said he was very happy with the turnout for the inaugural Digital Leaders session, and was looking forward to more editions of the same in the future. "We are pleased to have enabled this Digital Leaders gathering," De La Torre said. "This is the first time something like this has been done in the Emirates, and we are keen on supporting the country's digital agenda." ■

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The generation gap [in entrepreneurs]

Comparing old school practices with new millennial outlooks on starting your own business *By Paul Kenny and Rajesh Sajnani*

Generational change is a media and marketing phenomenon—news-papers have separate sections geared to retired baby boomers, magazine covers show off new leaders from Generation X, and now, millennials. Entrepreneurs launching their businesses over the past few decades have been granted the advantage of watching the successes and failures of their predecessors. From the “veterans of change” born from 1925–45, to the baby boomers born from 1946–64, there is a lot to learn, but the social, economic and political

landscapes across the globe have grown just as quickly as Generation X and millennial babies.

A generation has a shared memory of important events and similar assumptions about what matters, based on their formative experiences. Of course, there are natural subgroups, such as due to religion, class, and ethnicity, but there are also common markers. Baby boomers, for instance, tend to assume they have the power to make change. Even with a strong belief in hierarchy, they try to be more inclusive in the workplace, but this genera-

tion is rapidly exiting the workforce, if they haven’t exited already. Generation X-ers and millennials have been and continue to be poised to step into their roles and launch their own entrepreneurial ventures. The business tactics, characteristics and leadership styles of these two groups have been a hot topic of discussion. With the self-reliant Gen X working with their peers, results are always the most important aspect of their work, whereas millennials showcase another level of self-confidence. They believe they will make a difference through their

practical know-how. In this globalized, connected and yet polarized world that characterizes the second decade of the new millennium, employees are looking to leaders who can make a difference now.

TECHNOLOGICAL INTEGRATION IS OFTEN SEEN AS ONE OF THE LARGEST DISTINGUISHING FACTORS BETWEEN GENERATIONS OF STARTUPS. OLDER GENERATIONS TEND NOT TO BE AS TECH SAVVY, BUT ALL BUSINESSPEOPLE ARE CAPABLE OF SEEING THE BENEFITS IN EMBRACING WHAT TECHNOLOGY HAS TO OFFER.

One thing that hasn’t changed in entrepreneurs across generations is passion. In today’s world of business, along with your passion, you must also want to learn and expand your skillset. Money should not be the driving force. Instead you should be passionate about creating something, doing the best work that you can and solving people’s problems with unique solutions. In a similar vein, it’s clear that there is no wrong or right time to start a business. The right time is when a business succeeds; the wrong time, when it fails. When launching a new venture, there is an inevitable air of uncertainty. Today’s environment offers certain challenges so an entrepreneur always needs the ability to adapt. Liquidity has all but dried up, there is pressure on demand, consumers are looking for more value, and with that, lies opportunity. In every circumstance, there are opportunities to build amazing businesses. Where we have seen tremendous change, however, is the UAE’s startup landscape, which was practically non-existent



Paul Kenny is one of the leading technology founders in the Middle East. Having founded his first venture at the age of 25, Paul went on to start four companies before the age of 30. At the age of 28, Paul exited his first venture, and he is now a Partner at Emerge Ventures, which is investing into early-stage growth companies in the Middle East.



Rajesh Sajnani is the CEO of the RVS group of companies, a fully integrated fashion group in the Middle East that caters to all the steps of fashion development, right from textile creation to fashion designing to wholesaling and retailing of high end fashion wear and franchising. He likes innovations and experimentations, and likes to push technique to the limit.

in the eighties and nineties. There is a lot more opportunity now, with angel investment available, social media aiding your business plans, and multiple financing options easily available. The UAE is a young, incredibly dynamic and fast-growing nation. Years ago, there was not a talent pool to hire from, or nearly as many support services to support building a company. Fast forward to today, there are hundreds of startups and so much talent. Within such a short space of time, this market has become an amazing place to start your company.

Technological integration is often seen as one of the largest distinguishing factors between generations of startups. Older generations tend not to be as tech savvy, but all businesspeople are capable of seeing the benefits in embracing what technology has to offer. Social media plays a huge role in today's successful businesses (even if they are not social media businesses.) Some now argue that if your business isn't on social media, it doesn't exist. Of course, technology has been a core element of younger entrepreneurs' careers. Some businesses, such as e-commerce companies, couldn't exist without it. For B2C businesses, engaging customers in conversation improves trust and ultimately can drive sales. Today, businesses are more seamless, with the use of various technologies that allow our teams to work remotely, driving cost efficiencies. It is also a big challenge now for non e-commerce businesses, as it limits your method of sales to footfall. Businesses that began a few decades ago only had to cater to their local market, whereas now, thanks to technology, the world is your market. A few

years ago, it was more simple and much more cost-effective to start your own business in the UAE with a lot less regulation, whereas today's entrepreneurs will be reading through the rules of DEWA, Civil Defence, licensing regulations, and the list goes on. With the introduction of Facebook algorithms and click-through link monitoring, marketing has changed from an art to a science. Additionally, the shelf life of tech goods and services has decreased significantly due to regular innovation in our technology, with businesses becoming extinct if they fail to change with the times. Today's customer is more aware and therefore more demanding, due to the ease and availability of information through the internet.

The hardest part of starting your business is actually starting. Many people have great ideas, but they tend to never follow those ideas through any further than a conversation. Difficulty is often found when turning that idea into something tangible. Ultimately, the ability to continuously learn and never give up is invaluable, regardless of your generation. What works in one business doesn't work in another, so perseverance is paramount. A great business isn't built overnight, but regardless of whether you started 30 years ago, or you're starting tomorrow, know that you'll be putting all of your energy and focus into this over a long period of time. And then, hopefully, you'll get to reap the large rewards that entrepreneurship can offer. ■

SOCIAL MEDIA PLAYS A HUGE ROLE IN TODAY'S SUCCESSFUL BUSINESSES (EVEN IF THEY ARE NOT SOCIAL MEDIA BUSINESSES.) SOME NOW ARGUE THAT IF YOUR BUSINESS ISN'T ON SOCIAL MEDIA, IT DOESN'T EXIST.

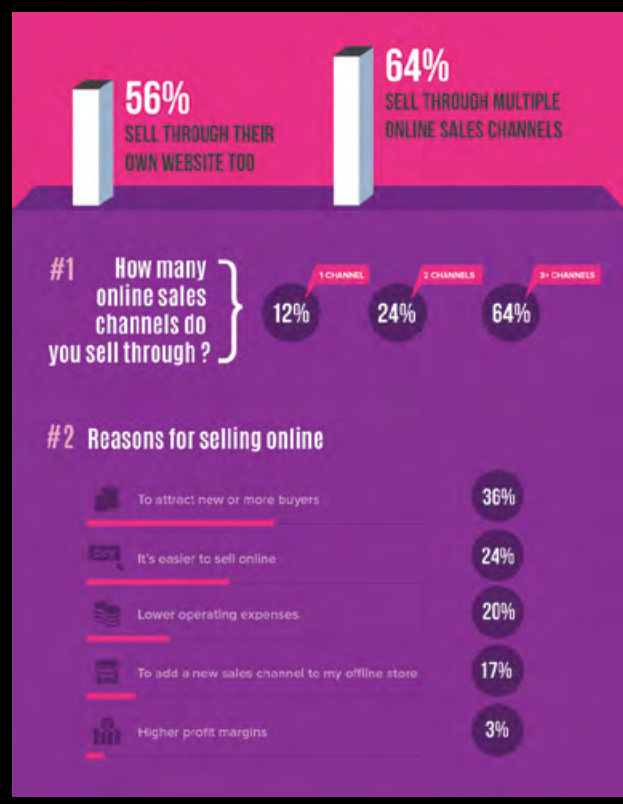
| THE FIX |

BOOSTING BUSINESS

JadoPado's Middle East e-commerce seller survey makes the case for SMEs to go online

While it's always interesting to understand what product sells and who is buying it in the e-commerce world, Dubai-based e-retailer JadoPado decided to go the other way and tried to get to know the region's e-commerce sellers better through a survey it conducted in December last year. In an infographic capturing the findings of the survey, JadoPado says that it's clear that the online medium enables the growth of SMEs, with 56% of sellers found to be small businesses with less than five employees. Further, a desire to attract larger and new pool of buyers has emerged as the dominant reason for companies seeking to sell on the web, and 64% of the sellers have even gone on to sell through multiple (more than three) sales channels. While electronics, fashion, and beauty products lead among the product categories sold online, the majority of sellers note that commercially, e-commerce delivers higher profit margins to the business. The majority of online sellers also seem to concur on their future business strategies, with 60% of survey respondents picking "competitive pricing" as a key tool to stay ahead of competition in 2017. Check out the infographic below for a look at why and how the region's sellers sell online, alongside insights on their preferences.

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Unlocking local pride

Three steps to building a sustainable entrepreneurial economy in the UAE

By Ramesh Jagannathan

AT A TIME WHEN GULF economies have been affected by declining oil prices, global and historic precedents illustrate the significance of entrepreneurship for economic development and diversification. The West has turned to an entrepreneurial economy from a managed economy, the BRICs (Brazil, Russia, India and China) have demonstrated their economic versatility by utilizing entrepreneurship as a means to promote business opportunities, and across developing countries, youth entrepreneurship is being promoted as the answer to the supply-demand challenge of employment with decent wages.

The UAE has a young economy defined by a developing entrepreneurship ecosystem. The task ahead is to build local capacity and business from the ground up. This is essential for successful and sustainable diversification

of the economy. This is also antithetical to the previous rentier model the Emirates relied on to drive growth, a strategy that has been well suited to an oil-driven economy. In order to engineer the transformation of the oil-driven economy toward a knowledge-based and entrepreneurial economic model, three core components must be considered: getting corporates involved, investor participation, and community education.

1. GETTING CORPORATES INVOLVED Traditional venture capital is no longer the only way to raise money for startups. As many as 68% of the top 100 companies from the *Forbes* Global 500 are engaging with startups, with the majority (61.7%) of the startup companies mentioned by *The Wall Street Journal* under The Billion Dollar Startups Club having

raised significant funding from at least one corporate entity, not including investment firms and banks.

It is not only leading companies such as General Electric (GE), Oracle, and Google who have taken a proactive interest in startups; some of the traditional corporate players have explicit methods through which they may invest in startups on a large scale. Let's take for example the emerging industries in the region: energy, aviation, logistics, finance and health. The UAE has a rich pipeline of influential corporate leaders who own these competencies. They have unique access to market knowledge, a huge consumer base and domain understanding. However, the immense size of many of these businesses limits them from innovation. They are battleships that cannot change course on a dime. This is in direct contrast with

the more agile and innovative tech startups, which can pivot and adapt at lightning speed; however, they cannot grow without domain expertise and insights or access to a large consumer base to test viability.

THE UAE HAS A LONG TRADITION OF TRADERS AND BUSINESS INSTITUTIONS THAT CAN AND SHOULD LOOK TO INVEST IN THE FUTURE OF THEIR COUNTRY. LOCAL INVESTORS HAVE TO EMBRACE THE LONG-TERM VIEW OF INVESTING LOCALLY AND IN HIGH TECHNOLOGY VENTURES, RATHER THAN PUTTING THEIR MONEY IN LUCRATIVE ALTERNATIVES SUCH AS REAL ESTATE.

The startAD incubator at NYU Abu Dhabi has been built to create a platform for mutually beneficial exchange between such corporates and startups, allowing corporations to innovate effectively through startups, and encouraging startups to validate their business concepts through corporations.

By connecting entrepreneurs with leading UAE industry players, we offer the chance to engage with a network of mentors as well as opportunities for thorough business viability testing. UAE corporates will benefit in the long term, as startups help them address new business challenges and also contribute to an increasingly diverse entrepreneurial economy through job creation and technology development.

2. INVESTOR PARTICIPATION Local investors who invest outside the UAE and MENA region must take encouragement from the resurgent deal flow in the region. The emergence of startups in the UAE alone has exploded over the past several years as evidenced in the latest reports from ArabNet and MAGNiTT. A stronger local investor community starting from seed stage through

to Series, A, B and beyond is crucial to building UAE's entrepreneurial economy.

The time has come for local investors to look locally before investing their money in Silicon Valley or offering to fund European startups. Local businesses are, after all, what will form the basis of a sustainable and successful economy. Not only will local businesses provide profitable returns, they will also keep the investors' money circulating where they can see the benefit it is bringing about. It is no secret that the UAE is home to a concentration of high net worth individuals. The UAE also has a long tradition of traders and business institutions that can and should look to invest in the future of their country. Local investors have to embrace the long-term view of investing locally and in high technology ventures, rather than putting their money in lucrative alternatives such as real estate and other tangibles elsewhere in the world.

THE EMERGENCE OF STARTUPS IN THE UAE ALONE HAS EXPLODED OVER THE PAST SEVERAL YEARS AS EVIDENCED IN THE LATEST REPORTS FROM ARABNET AND MAGNITT. A STRONGER LOCAL INVESTOR COMMUNITY STARTING FROM SEED STAGE THROUGH TO SERIES, A, B AND BEYOND IS CRUCIAL TO BUILDING UAE'S ENTREPRENEURIAL ECONOMY.

3. COMMUNITY EDUCATION

This process appears simple on its face, but harder to execute in reality. Innovators in the UAE began by think-

ing they could borrow the concept of accelerators and incubators from the West and apply the same formula here with the same success. However, this practice becomes far more complex when dealing with an emerging ecosystem.

The formula from the West is not a replicable, out-of-the-box solution in an emerging ecosystem. The truth is that what works in New York City or London will not necessarily work for Abu Dhabi. To enable the organic growth of the entrepreneurial economy in the UAE, a holistic approach needs to be adopted: one that works on building capacity in the region.

Over the past few decades, entrepreneurs and venture

capitalists have distilled learnings that significantly improved the prospects of success for aspiring entrepreneurs. Internalizing the science and process of entrepreneurship has resulted in a recipe to create replicable, scalable and capital efficient ventures.

This process can be taught by bringing together leaders, researchers, founders, and technology practitioners to engage with the aspiring entrepreneurs in the region. By educating people in digital and business literacy we want to enable the local community to not only set up their own ventures, but to be more effective in executing any project throughout their careers. With this, our hope is that

the general population will become better informed, and their resulting experiences will instruct businesses on how to get things right in order to engineer the economy of the future.

It is the pioneers in the local community that will lead the way in a "bottom up" approach. As much as government leaders can infuse capital into this space, the transformation will not be truly effected without the community of existing and aspiring entrepreneurs taking ownership. It is their innovative projects that will grow the economy; and these ventures will help build the infrastructure for new businesses to expand through, and further the UAE economy. ■



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Ramesh Jagannathan is currently the Vice Provost for Entrepreneurship Development and Managing Director of startAD, the innovation and entrepreneurship platform at NYU Abu Dhabi. Ramesh is an entrepreneurial technologist specializing in leading global teams, converting abstract concepts into tangible and marketable technologies in a short time frame. Since 2010, Ramesh has led the focus on innovation and entrepreneurship at NYU Abu Dhabi.

Prior to startAD, Ramesh piloted an entrepreneurship program -IDEA Lab- which connected NYUAD members with the broader startup community. He also developed the "superlab" course for engineering students that sought to introduce design concepts around abstract challenges. Previously, Ramesh spent 30 years at Eastman Kodak in the US and the UK, which culminated in

a prestigious appointment as Research Fellow at Kodak Research Labs. A recipient of the Kodak Distinguished Inventor Award and a distinguished researcher, Ramesh sat on the Cambridge University Mentor Panel and the Kodak Research Scientific Council.

Ramesh is a gold medalist from the University of Madras from where he received his B.Tech degree. He went on to complete his Ph.D. from Clarkson University. Ramesh holds 43 US patents, and has invented a dry inkjet printing technology and a new atmospheric process for coating organic device quality thin films. He also has 31 peer-reviewed articles in journals such as the *Nature Scientific Reports* and *Advanced Functional Materials*, including "Organic Nanoparticles — Preparation, Self-Assembly, and Novel Properties," one of the most accessed papers of 2006 in *Advanced Functional Materials*.

Entrepreneur.com

Business efficacy in real-time





H.E. Essa Kazim,
Governor of DIFC, at
the launch of FinTech
Hive in DIFC

CALLING FINTECH ENTREPRENEURS

DUBAI INTERNATIONAL FINANCIAL CENTRE AND ACCENTURE
LAUNCH FINTECH HIVE IN THE UAE

By Sindhu Hariharan

GLOBAL CONSULTING FIRM

Accenture has joined hands with Dubai International Financial Centre (DIFC) to launch FinTech Hive, a regional fintech accelerator program set to commence in the first quarter of 2017. FinTech Hive aims to create a platform that can bring together financial institutions and new age financial technology companies, with an objective to “increase access to, improve customer experience and drive operational efficiencies” in the financial services industry. Explaining its two-fold benefits, Pinaki Aich, Vice President-Group Strategy, DIFC, says that the accelerator will serve as a launch pad for “relevant and cutting-edge technology” pertaining to the financial market, and will enable regional conventional entities to tap into tech innovations.

The accelerator will identify entrepreneurs and startups through a competitive evaluation process, and help them “develop, test and modify” their businesses by offering financial investment and access to network of mentors. “The accelerator will invite applications from global firms planning to access the Middle East, Africa and South Asia (MEASA) markets, and will take entrants through a series of mentorship and co-working sessions for a period of 12 weeks,” Aich says. “This will culminate with a demo day where startups will display their work and engage with tech firms as potential customers and investors.” While FinTech Hive plans to select 8-10 startups per cycle, this number will vary depending on the number of applications, which are

expected to open by March 2017. “We will also continue to expand these partnerships and engage this industry in new ways,” says Aich. Urging fintech entrepreneurs to apply for the program, Aich stresses that the local entrepreneurship community will “without doubt benefit immensely from exposure to global technological know-how and talent.”



Amr El Saadani,
MD- Financial
Services MENA,
Accenture

With respect to the partnership with Accenture, both parties expect the accelerator to gain from the consulting firm’s global experience and expertise in building and running three FinTech Innovation Labs in London, New York and Hong Kong. Commenting on the FinTech Hive initiative, Amr El Saadani, MD, Accenture’s Financial Services Practice in MENA, says that the company’s responsibilities will involve staffing, budgeting, and management. “Additionally, we will be putting together the list of activities and events we can host at the accelerator,” he says. “The program targets startup companies that have already reached a certain stage of maturity in their business, and are looking for minor financial investment, as well as access to a network of field experts,” he adds. DIFC, on its part, believes that the collaboration will help in commercialization of technologies relating to “blockchain empowered trade finance, stock exchange, payments,” among others. “One of the main benefits is shortening and easing of go-to-market strategy for involved firms, with the opportunity to develop relationships with potential future institutional clients and develop relationships with senior executives,” says Aich.

Globally, even as fintech’s attraction as a sector is increasing, the MENA region has lagged behind its international counterparts in developing workable models,

“THE PROGRAM TARGETS STARTUP COMPANIES THAT HAVE ALREADY REACHED A CERTAIN STAGE OF MATURITY IN THEIR BUSINESS, AND ARE LOOKING FOR MINOR FINANCIAL INVESTMENT, AS WELL AS ACCESS TO A NETWORK OF FIELD EXPERTS”



DIFC Authority CEO Arif Amiri with Omar Boulos, Regional MD of Accenture in the MENA at the launch of FinTech Hive

"ONE OF THE MAIN BENEFITS IS SHORTENING AND EASING OF GO-TO-MARKET STRATEGY FOR INVOLVED FIRMS, WITH THE OPPORTUNITY TO DEVELOP RELATIONSHIPS WITH POTENTIAL FUTURE INSTITUTIONAL CLIENTS AND DEVELOP RELATIONSHIPS WITH SENIOR EXECUTIVES."

and in joining this fintech revolution. As per a 2015 report on fintech ecosystem in the GCC by Strategy&, this could soon change because the four key elements necessary to nurture a supportive ecosystem, namely "the business environment/access to markets, government/regulatory support, access to capital, and financial expertise," are gradually emerging in the region. While the DIFC-Accenture partnership is one instance of this change, the region's entrepreneurs have been blessed with a plethora of support systems when it comes to starting fintech businesses. 2016 has witnessed some fierce competition, among the region's nations as well as corporations, in this regard.

Some of these initiatives include a partnership between The Financial Services Regulatory Authority (FSRA) of the Abu Dhabi Global Market (ADGM) and Flat6Labs to grow Abu Dhabi's fintech ecosystem, the proposal to set up ADGM's proposed Fintech Regulatory Laboratory- a incubator to

innovate in the financial industry in a regulated environment, fintech startup PayFort's regional accelerator Fintech Factory, and Flat6Labs' 1864 Accelerator, a fintech-focused startup accelerator in Egypt, among others.

While this means that the region's aspiring entrepreneurs will now have plenty of options to choose from to pursue their respective fintech ventures, DIFC believes that FinTech Hive will be set apart thanks to its emphasis on "ground-up development." According to Aich, the DIFC environment, "founded on the largest representation of global and local financial service players," also works in its favor. "Unlike most other accelerators globally, where the financial hub and the fintech hubs are two separate districts, DIFC intends to create a hub that serves as a platform for both parties under one roof to exchange ideas and learn from each other," he notes. ■

THE EXECUTIVE SUMMARY

PINAKI AICH, VICE PRESIDENT-GROUP STRATEGY, DIFC

What selection methodology will be used to pick entrepreneurs forming part of the accelerator program?

"FinTech Hive at DIFC intends to draw a pathway for examples of successful fintech innovation deployment in the regional financial services industry, as well as set new benchmarks for attracting venture capital from the regional markets as the industry grows. Overall, given the fact that one of FinTech Hive's main objectives is to shorten and ease the go-to-market strategy for tech firms to the MEASA



Pinaki Aich

region, startups that are likely to be successful in becoming a part of the program will require a certain profile in terms of their maturity, life stage, market traction and financing.

The evaluation mentorship committee we have selected, that consists of representatives from DIFC, Accenture and each of our partnered Financial Institutions, will ensure the right mix from across the financial services landscape, who will collectively define the common problems faced by the industry."

What are your views on the recent fintech policy/regulations brought out by UAE's Central bank?

"We welcome the regulations brought out by UAE's Central Bank. It is important that for all modern banking practices, regulations are frequently updated. This encourages innovation and flexibility for a large, 70% un-banked market in the MEASA region that has access to online tools and a smartphone usage of up to 80% while still protecting the consumer. Innovation in this market is never in isolation and the more participants that come forward in a collaborative sense, the better it will be for the region and the growth of the fintech sector."



Launch of FinTech Hive at DIFC



is global e-commerce major Amazon. “[We] chose to begin with Amazon because our research had shown that about 40% of any online purchases being made in our [MENA] region all came from that one site.” Without elaborating on the terms of the partnership with the e-commerce giant (owing to non-disclosure agreements), Jeryes says that though “strategically, we’ve [CashBasha] aligned with Amazon, we’ve designed our technology to be agnostic and work on any e-commerce website by design.” He adds that they have received requests from customers to integrate more sites, and are considering it, but are also “very happy with the tightly coupled experience we’ve built” with Amazon.

Keeping things local

Jordan-based CashBasha enables MENA shoppers to shop on international e-commerce portals like Amazon- with cash

By Sindhu Hariharan

Here’s a scenario that should sound familiar to those of you in the MENA region: you’re just a few clicks away from completing a purchase on an international e-commerce site on which you’ve found that fashion accessory or favorite book not available in the country you are in, but then, at check-out, you find that either the site does not recognize your credit card, or that the cost of shipping exceeds the product price. Jordanian startup CashBasha’s team observed this emerging market-centric issue to be ripe for a tech solution, and thus built a platform that enables MENA shoppers to buy from global e-commerce portals such as Amazon, and pay for your order with cash. “We’ve built tools that offer an automated, transparent and all-inclusive service right

to your doorstep, as if you’re being served directly by the site itself, but with all the locally preferred emerging market means of transaction, delivery and support,” says Fouad Jeryes, co-founder, CashBasha.

CashBasha co-founders Fouad Jeryes and Sinan Taifour’s entrepreneurial pursuits started off in early 2013 after stints in various tech companies, encouraged by the fact that their skills were complementary in nature. The duo launched PayHyper- a cash collection network, which introduced a creative solution for the issues surrounding cash on delivery (COD) by flipping it as “cash before delivery.” PayHyper was a combination of physical locations and networks of couriers, where customers can shop online and pay for them in cash at trusted locations near them,

or at their doorsteps. The decision to pivot from PayHyper and start CashBasha was a result of extensive research by the team, which showed them that 80% of e-commerce retail in the MENA region was flowing from major global e-commerce players. “We believe that one of our success points is that we’ve been able to map how emerging market customers want to be served onto international shopping sites in [a] manner that hides all the complexities of purchasing from the customer completely,” Jeryes says.

In this endeavor to build a tech platform that allows the “unbanked” population to shop without logistical or pricing hassles, the CashBasha team ensured that their solution supported any and all shopping sites. But currently, they are partnered with just one site- but it’s a great first partner to have, given that it

“IT IS SURELY AN INTERESTING TIME IN THE REGION FOR E-COMMERCE, AS MAJOR BUSINESS LEADERS ARE JUST TAKING NOTICE AND THERE ARE TALKS THAT BILLIONS MORE WILL BE POURED IN REGIONAL FUNDING.”

As entrepreneurs, Jeryes says that both Taifour and he were very clear on challenging themselves at the very beginning when it came to proof of concept. Launching CashBasha officially in May 2015, the founders were pleasantly surprised at the early results. “So, we decided that we had to receive 60 orders from customers that we had absolutely no connection to, and without any marketing in the first month,” he says. “We were able to achieve those within the first two days of operation. We knew we were solving a big problem, and growth has been surprising, to say the least.” Currently, in Jordan alone, CashBasha claims to be shipping nearly “six tons of goods a month.” The startup also offers its services in major markets like Saudi Arabia,

and plans to expand its offerings in other regions of the MENA, with four countries in the pipeline. However, the entrepreneur confesses that the team has been careful to not “overwhelm themselves” at any point in time, and is focused on providing the best customer experience by partnering with local teams. It is this full circle customer experience and the ease of shopping from Amazon’s global catalog that seems to have contributed to the startup’s growth. According to Jeryes, another factor that drives customers to transact with them includes a feature enabling Arabic search. In addition, he also talks about an alert system where customers are informed if a particular item in their basket is prohibited from being imported into the destination country, ahead of order confirmation. CashBasha also claims to have engineered proprietary customs algorithms to keep track of any changes in packages as they come through. Citing

these features, Jeryes emphasizes that despite the presence of competition, “none have produced a seamless and automated technical solution” as CashBasha has.

“WE DO NOT NECESSARILY ADVOCATE OR OVERLY ENCOURAGE CASH PAYMENTS, IN FACT, WE WANT CUSTOMERS TO TRANSACT IN WHATEVER WAY THEY ARE COMFORTABLE WITH.”

While the business serves a crucial purpose, I can’t help but wonder if CashBasha is limiting itself to customer groups who still prefer and use cash for e-commerce transactions, which, as per most industry reports on digital payments, is a reducing class. I voice this concern, and also ask Jeryes about how comfortable he is to be advocating payments in cash for e-commerce. He is quick to respond that CashBasha is an “e-commerce technology startup,” and they see cash as “the preferred means of trans-

action for the next 15 years, at least according to some credible studies,” He adds that in the cash-dominated markets served by CashBasha, only 20% of the transactions are digital in nature. Additionally, he points out that CashBasha’s tools also aid in international sourcing, shipping, customs clearance and other allied needs, and are not just a means of payment. As for my query on supporting COD, Jeryes stresses that their method is “cash before delivery,” and not COD. “We do not necessarily advocate or overly encourage cash payments, in fact, we want customers to transact in whatever way they are comfortable with.”

With respect to financial support, the startup has managed to gain trust of investor groups such as Aramex Ventures and 500Startups, raising an undisclosed amount of seed investment from them. “[We] will be raising a major round within the months to come,” adds Jeryes. While raising money from such

THE MODUS OPERANDI

How does CashBasha work

1. Search for the product you’d like to buy from Amazon through CashBasha’s integrated website.
 2. Place the item in your shopping cart as you normally would, and checkout.
 3. At checkout, select payment method, and other order details to place the order.
 4. In case of cash payment, the startup’s customer service team will pick up the cash amount at your door and present a confirmation receipt. Credit card payments can also be made through the portal.
 5. Finally, the goods reach the customers in a timeline that depends upon where they are being shipped.
- www.cashbasha.com

strategic investors can help bring attention to a fledgling venture, it comes with its share of challenges, and Jeryes says that “the initial terms >>>

Fouad Jeryes, co-founder, CashBasha at Startup Istanbul 2016



that were put on the table were not the most startup friendly," but they had made the right choice of investors. "We always wish the process could have been faster, but larger companies naturally work at a slower pace," he says. Besides the perpetual funding woes, CashBasha also had to face a challenge that is specific to the Middle East region—issues related to citizenship and residency. In early 2014, co-founder Taifour (a Syrian national who had lived in Jordan all his life), had troubles in renewing his passport owing to the political situation. To ensure that this didn't affect operations, Taifour chose to make use of his German visa and work from Germany, which brought with it management challenges. "Considering the move, we had to build the site and all the operational channels of the business as a two-person team sitting a couple of thousand miles apart," says Jeryes.

After persevering through such hurdles, the past year has been kind to CashBasha, with the startup adding a few key achievements to its name. CashBasha emerged as the winner of Startup Istanbul 2016, an event that brought together entrepreneurs, business leaders and investors from across Asia and Europe. Coming in first place out of 2,700 startups that applied, CashBasha was one of the 15 finalists that pitched onstage to a jury panel including investors from 500Startups,

Y Combinator, Abraaj Capital, and others. Another landmark moment for CashBasha was when the co-founders were chosen to have exclusive time with Amazon's Jeff Bezos and five other senior vice presidents of the company, along with other Jordanian entrepreneurs, during Bezos' visit to Jordan in November 2016. Posting on his Instagram page about the experience, Jeryes called it "a milestone in our careers, and we couldn't be more thankful."

"[WE] CHOSE TO BEGIN WITH AMAZON BECAUSE OUR RESEARCH HAD SHOWN THAT ABOUT 40% OF ANY ONLINE PURCHASES BEING MADE IN OUR [MENA] REGION ALL CAME FROM THAT ONE SITE."

Jeryes also carries the same excitement to the business's future. He believes that CashBasha is poised to pursue and succeed in a number of opportunities. "It is surely an interesting time in the region for e-commerce, as major business leaders are just taking notice and there are talks that billions more will be poured in regional funding," he says, referencing recent regional developments. Noting that the "hunger for differentiated products, at competitive prices" among MENA consumers is not any different from aspirations of established markets, CashBasha wants to keep at their mission of ensuring that no one is "limited by what you can, and cannot, buy online." ■

'TREP TALK

FOUAD JERYES, CO-FOUNDER, CASHBASHA

What's your take on the evolution of the entrepreneurship ecosystem in Jordan and MENA?

"Over the past six years, quite a bit has happened. The build up of awareness, and attention towards technology startups is inspiring, but we aren't too far from the starting line. Although, now perhaps cliché after seven years, Maktoob's acquisition is still the most visible event that has taken place, sadly. We remain optimistic that more success is to follow, but we would argue that the type of success entrepreneurs should be looking for needs to be in check. Smaller and more frequent wins, exits or mergers are more realistic and worthy of the current market pace. Amongst these well-positioned and focused companies, we'll surely see more promising candidates with the ability to grow into larger entities."

What's your advice for entrepreneurs on fundraising and maintaining better relations with investors?

"[Firstly], work, work, work. Don't give investors much attention, as [when] they may sidetrack you at the beginning. Make sure you're visible and constantly on their radar, but make sure what you're working on is doing well and presents something promising. They'll come to you. [Second], don't be dragged down by any formalities when it comes to your initial investment rounds. Consider convertible notes and startup friendly terms that do not delay your progress or restrict your freedom to experiment. Refrain from forming a board, worrying about interest rates, and having to report back on every move you make. Your investors need to trust you, and be there for you when you need them at the early stages, but not bog you with their pa-

perwork or nosiness. [Finally], focus on growth and make sure you find investors that appreciate and understand that."

What are your top tips for aspiring entrepreneurs to start and scale a business in the region?

1. Prepare for mental and emotional strife, then learn to embrace it. "Being an entrepreneur is an exhilarating journey, but you'll soon realize that although you know it'll be a challenging path ahead, the 'type' of difficulties you'll encounter will be tough to anticipate—no matter what you do. You will question yourself, your existence, and be surprised by your vulnerabilities. It will be awkward and uncomfortable a lot of times, but learn to welcome it with open arms because it is personal and professional growth and development disguised as a short-lived struggle."

2. Learn from everyone and follow no one. "No matter who they are or what they do, somehow we've found that there are takeaways from any interaction you could have, and gain from them. Some of these might be in the form of 'what to do,' and others are even more important 'what not to do's.' There are a lot of jokers out there."

3. Throw yourself in the deep end, but be sure to ride a wave if you see one. "In most cases, the market will tell you what to pursue, and what seems to be a bit off the beaten path. There are always ways to innovate and introduce something new or in need, but you need to look for patterns and work like hell. You need to commit yourself to your work and sacrifice a great deal of time and resources to see it through."



CashBasha co-founders Sinan Taifour and Fouad Jeryes



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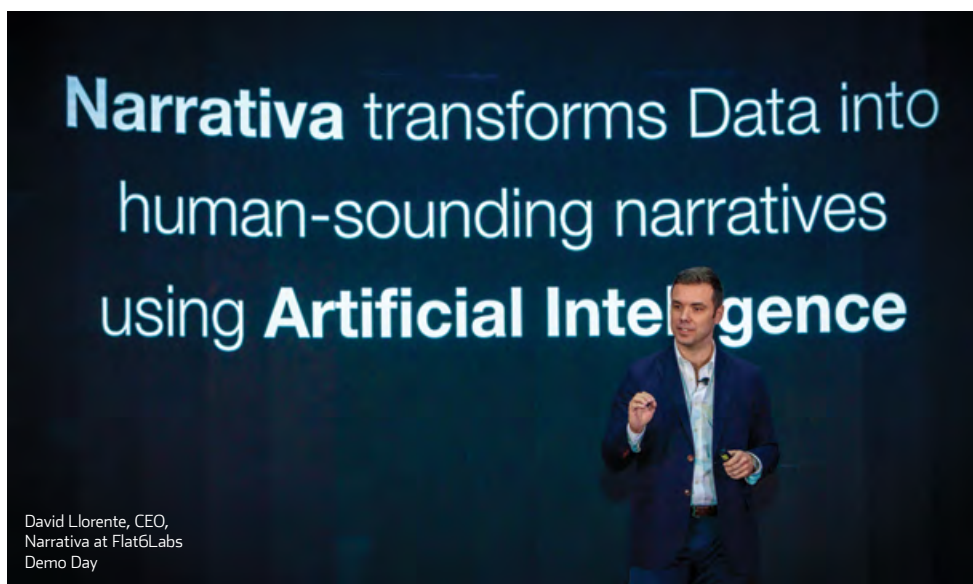
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Weaving stories from data

Natural language generation startup Narrativa uses AI to generate content at scale *By Sindhu Hariharan*

Sevilla won with a resounding 2-0 against Athletic in Nervión, which sums up eight straight wins at home. Gameiro scored the first one for the locals and closed the scoreboard by converting a penalty kick after Kychowiak was fouled. Athletic was unlucky despite controlling ball possession, and wasn't able to finish any of the numerous chances that they had."

At first glance, the above looks like a snippet from a typical post-match report, put together by a sports journalist who covered the game, answering the significant *what, who, where, and when* questions that govern such pieces. So what makes this write-up special? Well, this particular report was not written by a human being—it was put together by an artificial intelligence (AI) system, and generated using rows of numerical data in just a few seconds.

The AI system that wrote the above is a product of Narrativa, a natural language-generation startup based right here in Abu Dhabi. Launched in the summer of 2015 by David Llorente (CEO), Eugenio Fernandez (Chief Scientist), and Antonio Moratilla (CTO)—research colleagues from university days—Narrativa's technology takes complex data sets and transforms them into human narratives. "Across different industries, we identified a common problem," says Llorente. "There is a need to create content at scale, and at a very low cost, [but] at the same time, we discovered that there is very low levels of monetization of the data that companies produce." Hence, with a strategy to "disrupt the digital content industry," Narrativa and its AI product GabrieleAI help companies generate "millions of narratives per day" with a marginal cost of "less than five cents per narra-

tive." To understand the "disruptive" potential of this claim, consider this claim against what Llorente calls a normal scenario, where one human can effectively generate only up to four narratives a day, and the "hundreds of dollars" involved in such human-generated content.

Involved primarily in delivering news reports, earnings reports, product descriptions, etc. for its customer groups including news organizations, content companies, and e-commerce firms, Narrativa is keen to sign up other industry adopters too. According to Llorente, GabrieleAI's ability to generate content at scale can be of huge benefits to growing e-

"NARRATIVA IS HELPING JOURNALISTS TO FOCUS [ON] THE REAL STORIES, AND LEAVE THE REPETITIVE DATA-DRIVEN STORIES TO US."

commerce companies. "One of our e-commerce customers has more than 200 people generating product descriptions for their products, and now using Narrativa they are able to reduce this number drastically, and generate much more product descriptions than before," he notes. He adds that customers are taken aback at the "quality of narratives" the technology produces, and that it's almost impossible for anyone to guess that it was produced by a computer, and not a human. As of now, Narrativa serves three customers, though it says it has more than 11 customers in the pipeline.

As a skeptical (and maybe a bit smug) journalist, I quiz Llorente about how GabrieleAI can go beyond being a solution delivering volume and speed to answer the critical "why" needed in news reports. Llorente is quick to clarify that while Narrativa's tool is no match to the sophistication and analysis that a journalist brings to a story, the startup is currently working "with contextual data" to enrich narratives. "Narrativa is not trying to take out the job of journalists," he says. "Instead, Narrativa is helping journalists to focus [on] the real stories, and leave the repetitive data-driven stories to us." It's quite evident that currently, the startup's USP is the quantity of content that they can create for companies—that said, Llorente admits that the tool's limitation only comes from the data itself, i.e. the problem of not having sufficient data.

With large mainstream news organizations such as the *Associated Press*, *The Washington Post*, and many others already using software to churn out standard news reports, financial alerts,

sports reports etc., Narrativa is pitted against growing competition in the field globally, but that doesn't seem to worry Llorente. "Very few companies are using AI, and they use a rule-based approach instead." He adds that compared to systems using rule-based methodologies, those building natural language-generation AI (like Narrativa) "have the advantage of being learning systems." This "learning" feature is perhaps why Narrativa also allows customers to customize the technology using a platform they have developed. "Customers can train the technology by adding new example narratives, so the technology learns the writing style of the customer," says Llorente. In this way, the system enables users to define the structure of the narratives.

"CUSTOMERS CAN TRAIN THE TECHNOLOGY BY ADDING NEW EXAMPLE NARRATIVES, SO THE TECHNOLOGY LEARNS THE WRITING STYLE OF THE CUSTOMER."

Interestingly, while you may think that emerging markets like the MENA would be a few years behind in the adoption of futuristic AI, Llorente says that Narrativa sees this region as one with the "biggest" growth potential. "The MENA region counts over 350 million people, and the total online content in Arabic is less than 2%," Llorente notes. "There is an increasing need and appetite for content in Arabic." He points out that that the startup is the "only company in the world" currently generating narratives in Arabic, and this gives them a clear advantage and differentiation. Narrativa's business plans also reflect this belief. "By Q2-2017

[second quarter of 2017], we want to sign four more medium/large customers in the MENA region, and another four in Europe and USA combined... By the end of 2017, we expect to hit revenues of over one million [dollars], and by the end of 2018, we expect to triple that amount."

To help them edge closer to these milestones, Narrativa has already raised over US\$250,000 in investment from investors, including Next Media Accelerator from Germany and Flat6Labs from the UAE, with Llorente also pooling in his own money for his enterprise. The startup is also looking to raise \$500,000 currently. "We are looking for a decisive and savvy investor who shares our vision and who is willing to, together, disrupt the digital content industry," says Llorente. And how has the hunt been so far? Llorente says that as technology gets "more complicated," the process also becomes harder. Investors insist on validating the business by running pilots, which, inevitably, gets costly and slows things down. However, that has not deterred the team, which has been running pilot projects and demonstrating the capabilities of their

products to MENA's investors. As for the emergence and growth of businesses based on AI and associated technologies, Llorente feels that time is ripe for such startups to take a shot at venture capital and institutional money, and grow across sectors.

"AI and machine learning have not really changed much in the last 40 years; what has significantly changed is the amount of data available to train the systems and an incredible computing capacity that allow us to speed up the training of AI," he explains. The entrepreneur also believes that AI, along with big data and the internet of things, is helping solve problems that were "previously irresolvable" and hence is impacting status quo across sectors. One thing, however, appears to be a recurring theme in any AI business—job roles being done away by rise of automation. Though unnerving, it is a result of the complex times we live in, a phase that the World Economic Forum calls the "The Fourth Industrial Revolution," which looks like it's here to stay, and Narrativa wants to make sure that it is well poised to be a leading company in such a world. ■



'TREP TALK

DAVID LLORENTE, CEO, NARRATIVA

Why did you decide to start up in the UAE, and why did you align with Flat6Labs?

"We analyzed different business opportunities around the world and, as explained before, MENA region is probably the biggest opportunity worldwide for automatic content generation. Flat6Labs is the perfect accelerator program to join and enter the MENA region. Flat6Labs comes with the support of twofour54 and has an incredible network across the region. Also, [Flat6Labs] comes with top mentors and incredible facilities and staff. Flat6Labs gave us access to customers and investors and helped us to understand the peculiarities of the markets. The UAE is a very stable and well-run country with a need to diversify their economy and with a great appetite for innovation and disruption. On the other hand, the free zones allow international companies and startups to operate within the region with the maximum guarantees and with almost no bureaucracy."

What tips would you offer for entrepreneurs to start a business in the MENA region?

"First, you need to create a network of contacts and it is crucial to be present in the region. Trust and reputation are key factors to succeed, and you will need to work hard to gain both. Second, you need a local partner. This is crucial in order to understand better how things work plus [it] will help you to open doors. In our case, the partner was Flat6Labs; however it can be a co-founder, investor or even a customer. Third, it is crucial to understand that the MENA market is a winner-take-all market and has only place for winners and being second is not an option. Investors look for investments with very large returns and no investor within the region will trust you if you are not able to prove that you can grow fast and take all."



Medativ founder
Mohamed Elawad

ESTABLISHING A NEW NORM

Medativ is bringing 3D printing medical solutions to the MENA healthcare industry

By Pamella de Leon

From education, to jewelry and even 3D printed offices, 3D printing has placed its footing in various industries. Last year, *Forbes* reported that according to the Wohlers Report 2016, the additive manufacturing industry (otherwise known as 3D printing) grew 25.9% (CAGR - Corporate Annual Growth Rate) to US\$5.165 billion in 2015, with previous CAGR for the past three years as 33.8%. There is thus a definite market value for 3D printing, and Mohamed Elawad, founder of Medativ, aims to now apply it as a medical solution in the MENA region.

Elawad's interest in medical 3D printing was sparked after reading an article about the Open Hand Project, a UK based initiative focused on ensuring the accessibility of prosthetics. "The project created a prosthetic hand out of 3D printed plastic parts, which were then coated in rubber. The cost of

acquiring a prosthetic hand would prevent most children in need of ever acquiring a prosthetic arm, never mind the need for a new hand every year or two as the child grows. Such initiatives have the potential to change this dynamic by bringing down the cost of prosthetic hands down to tens, rather than thousands of dollars." One of the reasons why the process is cost-effective is its tech: using additive processes, it involves creating three-dimensional objects from a digital model through which each layer of material can be on top of one another, and as it's developed from a digital model, it's precise and eliminates error.

THE STARTUP PARTNERED WITH DUBAI HEALTH AUTHORITY TO "IDENTIFY OPPORTUNITIES WHERE 3D PRINTING AND EXPERTISE CAN BE LEVERAGED TO FURTHER ADVANCE THEIR SERVICES."

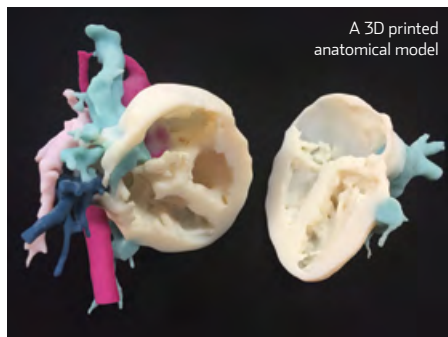
And it's this tech that excited Elawad: "a basic 3D printer can produce something with an immense impact on people's lives at a low cost. It made me realize the life changing potential the technology holds." For the next couple of years, Elawad started following developments in the space, and in October 2015, took the plunge to start a business focusing on 3D printing medical solutions, with the goal of "improving patient outcomes and making healthcare more accessible." Though from the construction industry, Elawad was driven to switch career paths, and has extensive experience in the healthcare industry, particularly in mobile health. Joined by an undisclosed co-founder, whose background is in technology consulting and finance, Elawad says that they are both "passionate about leveraging technology to improve people's lives." Motivated by the tech and its potential,

timing in market value, and desire to be a first mover in GCC, the duo launched the startup to develop specific 3D printed anatomical models that enable better and more cost-effective patient outcomes and boost patient safety.

With operations in Boston and Dubai, Medativ has validated their value proposition in the market by providing doctors with 3D printed replicas of patients' anatomy simulated from medical imaging, usually from CT or MRI. The model specifically designed for each patient helps surgeons in depth perception and spatial awareness, providing better accuracy and calculated approach to surgery. As the models are used for planning operations, Elawad states that it has shown to reduce operating time, blood loss, exposure to radiation and contrast and fewer complications, as well as giving patients a better understanding and confidence on procedures. Elawad gives an example of one of their recent models- a kidney tumor utilized to assist the surgeon in assessing whether the tumor was safe to remove and its best approach. It was successful, with the surgeon able to remove the tumor in an hour less than it would usually take- a better patient outcome indeed. "3D printing in medicine is not limited to [anatomical] models," Elawad asserts. "Patient specific implants, prosthetics, orthotics and bionics are also great uses. You'll be seeing a lot of 3D printed medical solutions become mainstream over the coming years. Personalized medicine requires mass customization, and that's what 3D printing is all about."

Medativ has acquired definite support- it's among the projects that have graduated

from Dubai Future Accelerators' (DFA) first session of its accelerator program last August, making it one of the 19 startups to have been allocated more than AED120 million from the program as part of their collaboration with key government entities. The startup partnered with Dubai Health Authority to "identify opportunities where 3D printing and expertise can be leveraged to further advance their services." From meeting strategic leaders and investors from various markets, Elawad remarks that the program also prompted credibility for their service, and visibility locally and internationally. He counts the experience as one that helped his growth as an entrepreneur, as well as "being around a diverse group of other like-minded people in an environment cultivated by a forward thinking government that encourages innovation reaffirmed [me] that there is a method to the madness we live [in] as entrepreneurs." Though the feedback they received when they started was positive, creating market demand in the beginning was a hurdle they faced. Elawad recalls that



A 3D printed anatomical model

WITH OPERATIONS IN BOSTON AND DUBAI, MEDATIV HAS VALIDATED THEIR VALUE PROPOSITION IN THE MARKET BY PROVIDING DOCTORS WITH 3D PRINTED REPLICAS OF PATIENTS' ANATOMY SIMULATED FROM MEDICAL IMAGING, USUALLY FROM CT OR MRI.

when they started, most physicians haven't heard of their services so far, plus its clinical and economical benefits weren't fully quantified yet, resulting to a long buy-in timeline. He stresses the need to pursue the "right champions to be early adopters." He adds, "The key to success was to be smart about segmenting the customer base."

Currently, the startup is succeeding in its goal of building custom medical solutions, with customers in both the local and global

marketplaces. As a self-funded business, Elawad notes that it is their dependence on their expertise, as well as approach and design that is the "cornerstones of our business model." He also

adds that it was also about focusing on key clients who they could provide the most value and vice versa, in addition to customers that would in adding credibility to the business. Regarding the year ahead, Elawad comments that they plan on "delivering new solutions to the region," with a hiring round of new staff to make it happen, and we can expect to see more of them in the region, as they plan to expand to other markets outside UAE and into the wider GCC. The future of 3D anatomical modeling is nascent, albeit exciting, and Elawad points out how the medical community is now more acquainted with the technology and grasps the clinical and economic benefits it brings, thereby increasing its level of adoption. "I'm confident it will

become the norm in the near future," Elawad states. "We're always exploring new ways to solve problems and improve processes by utilizing 3D printing and other innovative technology. We stay ready, so when opportunity and timing is right, we're able to answer." ■

'TREP TALK

MEDATIV FOUNDER
MOHAMED ELAWAD'S TIPS
FOR ENTREPRENEURS

- 1. Bootstrap.** "Spend as little as money as possible (or none if possible!). This forces you to become creative, more resourceful, and will help you last longer when you're starting up. [This is] important, as you are never sure when consistent streams of income will start flowing in."
- 2. Develop a high tolerance to failure.** "Resilience is probably the single most important characteristic of an entrepreneur. At some point, we wanted to just give up and say the market just isn't ready for this technology, but we persevered and carried on, and in the end, [the] light was there."
- 3. Validate your idea as soon as possible.** "When you have something new, you may have a vague idea of what success means to you, your client and the stakeholders involved. Finding [this] out, even if on a small scale, may be of tremendous help in developing your strategy and direction."
- 4. Don't rush.** "When you're new in the market, you may only get one shot with each client, make sure you deliver a refined product/experience- especially considering this is a relatively small market. I believe you're better off delivering late (or not at all), rather than delivering a poor product/experience."



Medativ founder Mohamed Elawad at Dubai Future Accelerators with Dubai Health Authority



Appetite -
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For the long haul

How to ensure your business enjoys long-lasting success

By Suzi Croft and Manar Al-Jayouchi

IT'S ONE THING TO START a business—it's another thing altogether to keep it running sustainably and successfully over a number of years. We started Appetite over 11 years ago, when we saw a gap in the market for wholesome, grab-n-go food. As a small enterprise that started in Dubai with just two employees, we have since managed to achieve great success over the years, and now, more than a decade later, the Appetite Group umbrella includes homegrown concepts like 1762 Deli, 1762 Stripped, and more. It's been a long journey getting here, and for those of you entrepreneurs just starting out on this ride, here are a few tips that we think can help you along with this trip:

1. BUILD A GOOD TEAM SPIRIT Creating the right company culture is always a challenge. Over the years, we have been very lucky to have some of the best and brightest join us on our journey. At the end of the day, every aspect of our company is made up of people, and happy people perform, not only at their jobs, but also in their personal friendships, and work relationships.

2. CREATIVITY IS KEY Creativity plays a pivotal role in our company, maybe

more so than others. We're hitting this in every department, from our interiors, product development, marketing, and all the way up to staff uniforms. We strive to bring in creative minds into the mix at any opportunity as it plays a central position in our daily discussions.

3. KEEP UP WITH TECHNOLOGY 2017 is the year of digital for us. An important factor in any industry now is to stay loose and nimble. Technology is changing daily (though we *still* can't see the day of eating a digital sandwich!), and it touches heavily in our operational effectiveness and marketing department. As in all things with our business, we try to stay one step ahead of the game, whether that's bringing new foods in to the mix, or ensuring we're connecting with people on the right platform. As much as this comes in to play, we will always place value, and endeavor to have that human touch behind the scenes, to bring warmth and openness in to our brands.

4. STAY TRUE TO YOUR VALUES Product consistency has always been a challenge. Weather patterns change, ingredients shift, trends differ. Making sure we put out to market a consistent offering that

ticks all the boxes, whilst staying on point to our company values is the challenge. That's why we sample, taste, and push for feedback every day, whilst still keeping one eye on the future.

5. THINK GLOBAL We have a fantastic consumer base in the UAE; it's one of the most diverse in the region, full of brilliant minds and forward thinking people. The downside of this is that people aren't always here for the long haul. The world is a much smaller place now and people move around constantly, this means our connectivity becomes dated very quickly. Tackling this is a self-discipline to constantly shout and be out in the limelight. We bring in new friends and customers, and slowly but surely build a strong global brand reputation.

6. CUSTOMERS NEED TO COME FIRST (ALWAYS) Product, service, and strategy: these are the three supporting points of any hospitality business. Food tasting has become a daily ritual for us. We draw inspiration from around the globe, and always push to innovate ahead of the competition in every aspect of our business. Service aspects, we cover with very thorough hiring policies to ensure an amazing management team, and the strategy side is tackled on our aspirations to lead the food and beverage industry in the Middle East.

Finally, our advice for entrepreneurs setting out on building their enterprises: it's a lot of hard work. Nothing will prepare you for that, but on the flip side, you'll never feel happier having produced something so beautiful for yourself. Focus on location, product and service— if you hit the big three, you certainly won't be too far off the mark.



Appetite - The Shop at
Index Tower, Dubai



Suzi Croft and Manar Al-Jayouchi are the co-founders of the Appetite Group.

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