



MENA HOLDING (K.S.C)

Eyes on Expansion



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Rising Star: Mohamed Abdulsalam interview

The tech boom has taught us that the age by which a certain level of success should be attained is not proportional to the number of grey hairs one has. Not anymore, at least.

The internet has its fair share of young stars and personalities, as do an increasing number of industries around the world, as youthful innovators

start their own businesses free from the constraints of a traditional, potentially slow, career ladder.

Big businesses have, more often than not, failed to find ways to allow young talent to stretch their creative wings, stunting rapid rises to the top and instead constraining them in what might be called the 'corporate machine'.

A recent research showed that the average age at which an S&P 500 chief executive officer is hired is 52.

There are, of course, exceptions. One of which is Kuwaiti-based shareholding group MENA Holding Company.

Its 26-year-old CEO, Mohamed Abdulsalam, was recently honoured at the CEO Awards 2014 - named the Young CEO of the Year - but as he explains, it hasn't been an easy journey.

"Gaining trust as a very young person was a challenge and made me work twice as much as my colleagues," he says.

"I started in an industrial subsidiary of MENA Holding doing data entry in the accounting department when I was 16 years old. So I completed my university education and worked full time all at the same time.

"I got married when I was 19. I have a son and a daughter. All three I've been doing at the same time.

"How do I manage this? I'm actually really organised. And I have a supportive wife. As long as she supports me, I'm fine."

While he was studying business administration at the American University of Kuwait, Abdulsalam also gained hands-on professional experience by working in all subsidiaries of MENA Holding.

He says: "I really had an opportunity because my father was one of the founders of MENA Holding back in 1991. But I used it well."

MENA Holding Company, a unit of International Holding Projects Group, operates through more than a dozen subsidiaries engaged in real estate and industrial services, executive leisure and tourism projects, the agriculture and fisheries sector, and since recently the family entertainment sector.

The company has been listed in Kuwait Stock Exchange since 2005, and Abdulsalam adds that out of its KD 110 million (\$380 million) of current total investment, 78 percent is allocated to real estate development, 25 percent to agriculture, and six percent to storage

In addition to a few years of hard work that he had put in before being appointed as the company's CEO in 2012, his entrepreneurial mind-set caused the fast track to the top.

Abdulsalam explains: "The change started when I found an area of three million square meters owned by the company in Egypt. It was [used] only for farming, and the area around it was developing really fast.

“What I proposed was to change it into a [tourist] resort. They [the company’s board of directors] said it was a bit challenging.”

In spite of not getting the board’s attention immediately, he started developing the plan with an idea of creating a Kuwaiti community in Egypt.

The fully fenced tourist resort located outside Cairo, which would later be named Dream Farms Projects, sold 450 villas within the first two years, and Abdulsalam was appointed as the project’s planning and follow-up manager.

He says: “People in Kuwait loved the idea. What got [the board’s] attention was that within two to three days [and] with only the ground floor plan, four villas were sold.

“From my point of view, with this I gained the trust of the board of directors. It was the transformation point for me.”

With profits increased by 30 percent and the company’s successful sector diversification achieved during the two years of his leadership, the board couldn’t have been more right to give him the chance to prove himself further.

He explains that as a newly-appointed 24-year-old CEO leading 1,200 employees he first focused on improving operational performance.

“Internally, a lot of [staff] turnover was happening and I tried to stop this,” he continues.

“There was a strategy: ‘If you want to leave, leave.’ But nowadays, if somebody wants to leave, I will try to understand why.

“Some of them were 10 or more years with the company. That’s very valuable. So my challenge was to change this and now I can see that our employees feel proud,” he explains.

Just two days before we speak, Abdulsalam’s employees showed that pride by throwing a surprise party for their CEO in celebration of his award.

“They all feel that they are the ones who got this award,” says the young boss.

“And that’s true. Without them I wouldn’t have been able to get it.”

In addition to sharing the spotlight with his employees, Abdulsalam explains that his open door policy was one of the keys to success both internally and externally.

“On a daily basis, employees of all levels, our customers, shareholders, or suppliers don’t need to take an appointment – just step into my office, and if I’m free, you are welcome.

“And my door is always open, I never close it. And it’s not a metaphor, it really is always open.

“Externally, my challenge has been about people accepting a 26 year old and how they can perceive me.

“But once you meet them, this changes. But you cannot meet all people. Even if you keep an open door, you won’t have the time.

In hindsight it is only the time aspect that he would have been more careful with: “In the past two years, as a CEO, there was a practice that I followed but it really wasted my time. But meanwhile it increased my knowledge.

“It was to go into every detail, I interfered in everything. It taught me a lot but this is not really my role. My role is more strategic than this.

“If I look back, with the same people that I really trust, I would focus more on applying new ideas.”

Abdulsalam holds the title of the youngest student ever to enrol in the UK’s Lancaster University’s MBA programme, which he is expected to complete in 2015. He no longer sees his young age as an obstacle and prefers “not to talk but to make the results of the company speak for themselves.”

He says: “My targets have no limits actually, but what I’m focusing on is opening new sectors.

“My aim is to reduce our real estate portfolio and go into the operational sectors that generate cash on a daily basis. All of this will have a direct impact on the equity and maximise the profit of shareholders

“We are expanding into the family entertainment sector, contracting and the construction and isolation sectors in Kuwait.

“There are a lot of other projects under assessment at the moment.”

One of them relates to K-Span and steel structure products, with which the company already dominates the Kuwaiti market, and Abdulsalam is now leading its expansion to Qatar.

Another development project he keeps an eye on is into the food and beverages sector in Morocco.

The company’s subsidiary in Morocco, Afaq Investment, has come up with a new food concept which it plans to develop within the next five years and open seven stores in the kingdom.

“It is called Burger Burger Restaurant and it is specialised in organic burgers. It’s a small concept that we are testing actually only in Morocco. If it succeeds, we will expand.

“Why Morocco? Because if you go to Morocco, you won’t find so many franchises especially in the food and beverages sector,” he concludes about the company’s current plans, politely declining to provide updates on the development of the Ayaat City project.

In 2010 Arabian Business reported that the work on the Ayaat City project, the company's \$24.2 billion satellite city in Egypt, owned by Egyptian Kuwaiti Holding Co., in which MENA Holding directly and indirectly holds about 33 percent of ownership, would start by the end of that year.

Abdulsalam says: "The project hasn't started until this morning but we're getting there."

When our discussion turns to the business climate in the region, he points out that Kuwait is ranked eighth in the Arab world on the latest World Bank's Doing Business report, with the UAE ranked first in the region, and 24th worldwide.

He says: "I'm proud that the UAE, a country from the Arab world, has achieved this."

In his opinion a Kuwaiti entrepreneur still needs to be "a bit patient" when setting up a business but he says: "Nowadays, what I see in the Kuwaiti market, and in the region as well, is that most of the youth take the challenge to open their own business after graduation.

"Some of them fail, some of them succeed but it takes a lot of courage to take this step.

"Some people tend to gain the managerial experience by working in a big organisation and move to open their own business later. This is actually what I recommend [in order] to be more successful than the others.

"But what I advise organisations is when you hire a young person tell them: 'This is the goal, get there in the best way you can.' In this way, you will get so much from these people."

He explains that Kuwait's recent significant legislative changes, which he believes will positively affect its business environment and attract foreign investment, have contributed to the rise of young entrepreneurs.

"Nowadays, to be a leader, especially if you are young, it's a combination of something personal that you have, and skills and experience that you've gained through your life.

"For me, charisma is really important but it's not enough. In my point of view, it contributes maybe 30 percent, and the other thing is experience either through education, courses, mentoring, and similar.

"Also, young leaders should not only focus on planning but they also have the responsibility to be developers.

"And all people who start their own business are developers."

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