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CEO

MIDDLE EAST

SEPTEMBER 2017
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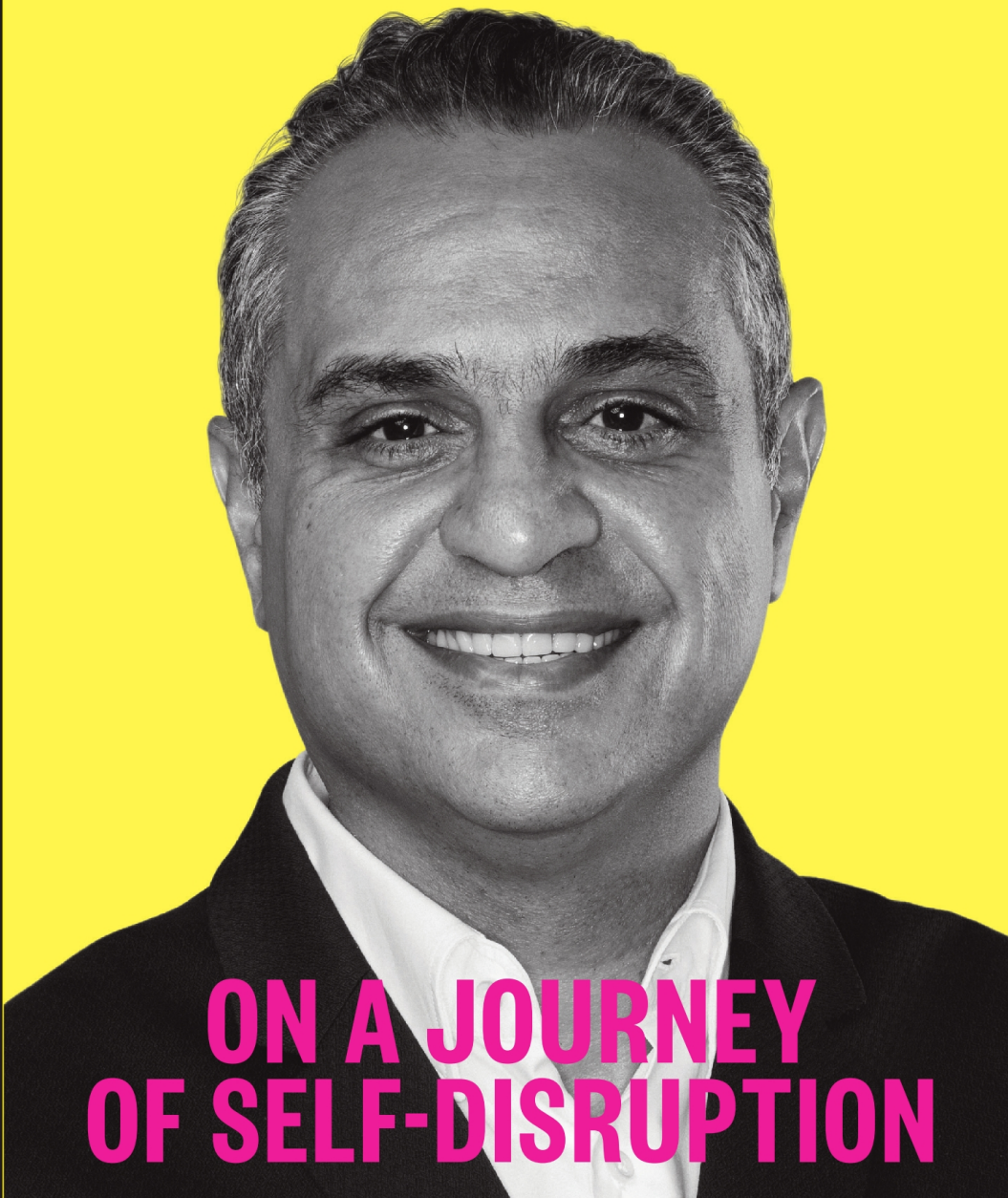


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WHY **HUSSEIN HACHEM**, THE CEO OF ARAMEX, WANTS TO
DISRUPT THE INDUSTRY (OVER AND OVER AGAIN)



ON A JOURNEY OF SELF-DISRUPTION

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A JOURNEY OF SELF-DISRUPTION

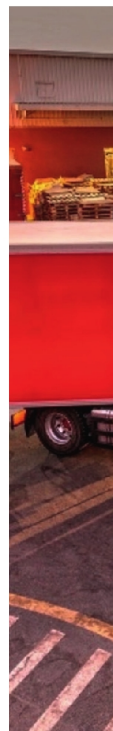
ON THE BACK OF A SUCCESSFUL EXPANSION STRATEGY THAT TURNED ARAMEX INTO A GLOBAL PLAYER IN LOGISTICS, ITS **CEO HUSSEIN HACHEM** ISN'T RESTING ON HIS LAURELS. INSTEAD, HE PLANS ON DISRUPTING HIMSELF, AND THE COMPANY, OVER AND OVER AGAIN.

For people outside the region, how did the company first get started?

Aramex has been around for the last 35 years. We've been listed for the last 11 years. I think that the brand is well known globally. We're probably the fourth largest network when it comes to express services, and we're present in every major market worldwide. I'd say that for the last four/five years we've seen a change, a change in our customer base. As online trading has taken off, so too have our customers have evolved. We're now touching a lot more regular consumers than we ever have before. And because of that, you've seen us expand our solutions beyond just the region here. We are currently doing a lot in sub-Saharan Africa, and we've also made a few acquisitions across Asia, all the way to Australia and New Zealand.

Over the last twelve months, Aramex has put a lot of resources into digital. There's an entirely new app, for example. Is that how you see the company growing over the next five years?

Look, if you're not going digital, then there's something wrong with you as a CEO. That's how I see it these days. There's no question about it; we have all been disrupted. Digital is taking over. From riding in Uber cars to running your business via apps and bots. Smartphones aren't just taking over; they are here. Artificial intelligence is happening, and we also see the impact of drones, advanced robotics, driverless cars and the like. This evolution is happening everywhere, in every market. I don't see going digital as a luxury; it is a necessity. And we're predominantly going down that route. We have a new courier app, a consumer app and currently investing in big data. For me, it's about knowing our customers, and understanding their shopping habits and behaviour.





“HERE’S WHAT WE DO AT ARAMEX: WE HAVE A DEPARTMENT WHOSE MANDATE IS TO DESTROY US, TO PUT THE COMPANY OUT OF BUSINESS. THE TEAM’S JOB IS TO LOOK AT WHAT WE DO, AND TRY TO CREATE A COMPANY OR SERVICE THAT IS BETTER THAN THE ONE WE CURRENTLY EMPLOY”



We don’t want to be reactive to consumer trends, but predictive. We’ve just recruited a chief digital officer, and upgrading the rest of the digital team.

What’s the biggest challenge you are facing with regards to that? What do you think might hinder the digital strategy you just mentioned?

Disruption is happening. Barriers to entry are far less, and now anyone can come here and set up a company right now and do what we do. We are paying

attention to a few very interesting start-ups. There are many young entrepreneurs who have big dreams, which is brilliant. And they are getting funding. Suddenly, everybody has woken up to the fact that transportation is an exciting industry. We have been the most boring industry for the past hundred years, but now – with the rise of e-commerce- everyone wants to be involved.

This is leading to an eruption of start-ups that are looking to change the current business model. But we’re not sitting back; we’re also experimenting in that space. We are embracing a sharing economy model, and 40 percent of our capacity is going to be variable. Anybody will be able to sign up and become an Aramex courier. You can be a teacher; you can be a student or a full time employee. You can have multiple jobs. But we’ll invite people to pick up

and deliver a shipment at a specific time, and then pay you for your success and the rating you get from the customer. I think that’s the future, and that’s how we’re evolving.

To use an already over-used idiom, that’s very out the box thinking. How do you encourage that within the organization?

I think it’s in our culture. It’s in our DNA. When we were a fully b2b company, we were the first to have a total transportation solution, from express, domestic freight forwarding, 3PL solution, and the like. We were founded on the idea of thinking outside the box. Heck, I don’t think there should even be a box. You should dream high and aim high. And that means learning from your customer base, not sticking to the confines of an assumed box. This model of thinking is what’s allowed us to be



US\$1 BILLION

Room to grow
Aramex worldwide revenues now top over a billion dollars, and it’s just getting started



comfortable disrupting ourselves, and saying, “Okay, now it’s time to move from this model to an alternative one”.

This sort of strategy requires big, over-arching decisions. How do you make those types of decisions within the company?

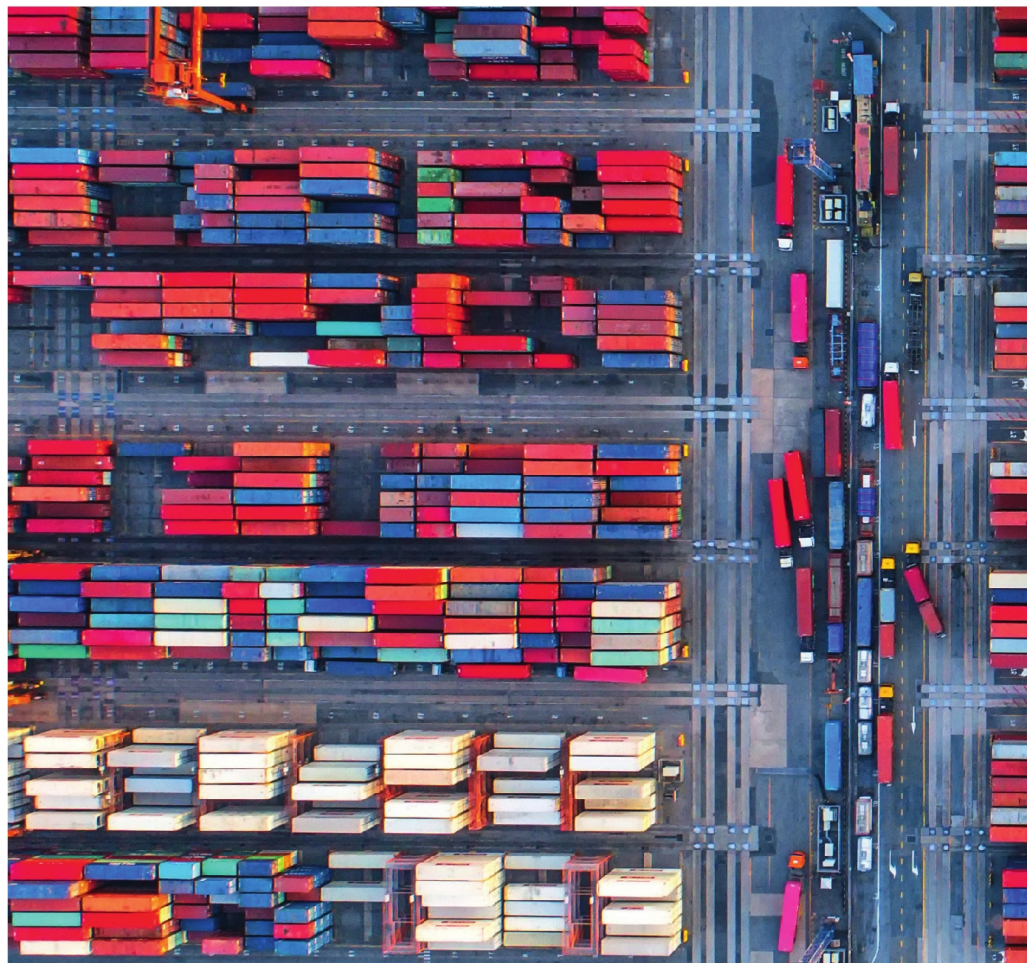
I make them quickly. Yes, there’s always an analytical approach to any decision made, but there’s also intuition. I have been with the company for the past 27 years – actually, there are a lot of 15-year and 20-year employees across the company – so I understand the brand. I understand the market. And we always aim to be a step or two ahead of the competition.

What’s the biggest decision you’ve ever had to make?

To go completely digital. Then telling our key management teams that everything needs to change. It’s hard to tell someone that everything that’s been done over the last 30 years is great, but it’s not good enough for the next ten or fifteen years. That if we don’t change right now, we won’t weather this storm of disruption. That was quite hard, but also very necessary. You can have the most brilliant strategy, but if you don’t execute it well then you may as well forget it, it’s not going to happen. If your strategy is not well communicated, then it won’t trickle down. Right now we have a very thorough process, where we address these sorts of things from top down and bottom upwards. Then we meet in the middle to ensure that communication is happening.

What would you say to a brand new employee at Aramex? How would you describe the culture?

Sometimes new employees think that we’re a bunch of crazy people. I think in that regard, people either fit in or they

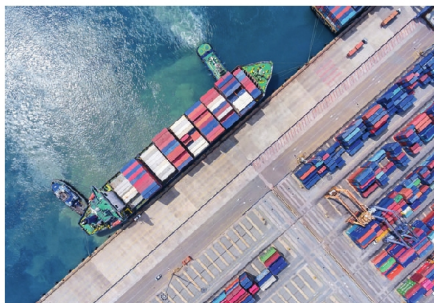
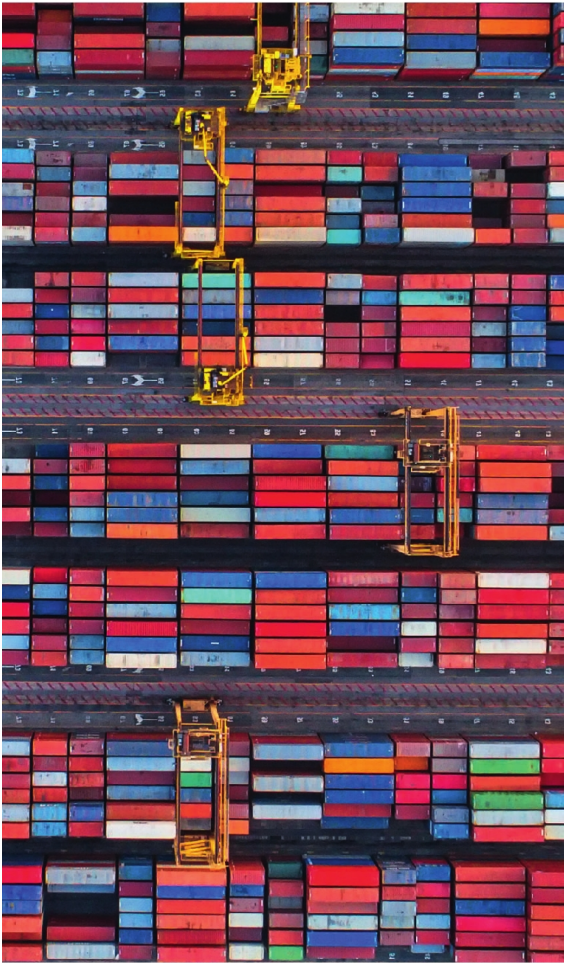


“YOU CAN HAVE THE MOST BRILLIANT STRATEGY, BUT IF YOU DON’T EXECUTE IT WELL THEN YOU MAY AS WELL FORGET IT, IT’S NOT GOING TO HAPPEN. IF YOUR STRATEGY IS NOT WELL COMMUNICATED, THEN IT WON’T TRICKLE DOWN”

want to get the heck out of here. Ours is a very dynamic and vocal environment that is based on trust and empowerment, trial and error. But support each other, but more importantly, we challenge each other. I don’t believe that you need to be Mr Polite all of the time. That’s how we operate, and we’ve been pretty successful. As you know, we operate in around 80 countries and employ close to 18,000 people. We’re going digital, and see double-digit growth year after year. You can’t do that with a static work environment. You need to attract young people, you need to be inclusive, and you need to accept criticism.

What advice would you give to someone going into a leadership position for the first time?

I would tell them to listen. Not to talk too much. And to learn. You can’t bring any ego or arrogance to the table. If a decision has to be taken, then it must be taken. It might be a tough decision, and it might be the wrong one, but there are times when you will need to make a decision and then get on with it. Also, I believe that you need to lead by example. You can’t say, “The company is going to do this.” and then you behave differently. What applies to you, applies



“LOOK, IF YOU’RE NOT GOING DIGITAL, THEN THERE’S SOMETHING WRONG WITH YOU AS A CEO. THAT’S HOW I SEE IT THESE DAYS”

to the whole organization.

Your strategy is to go digital, but as you’ve said there is a constant disruption. How do you plan for the future, when there are likely products and business models that haven’t even been invented yet? How do you plan for uncertain disruption?

You can’t. You can read the signs, and you can know what’s happening. But you can never be sure. Here’s what we do at Aramex; we have a department whose mandate is to destroy us, to put the company out of business. The team’s job is to look at what we do in every city we operate in, and try to create a company or service that is better than the one we currently employ. They will look at what we do, in Hong Kong for example, and then try to deliver more capacity for cheaper – perhaps by using an outsourcing party, or crowdsourcing deliveries. If they manage to do it, then I shut down that route and use their model. The leader of that team is just 24-years-old. He has disrupted the heck out of us, in the most beautiful way.

What’s the biggest luxury in your life?

Spending time with my family at home. I travel a lot. I have missed so many events in their life because of my business. However, I am trying as much as I can to create a balance between work and home life.

How do you manage such a large business, and also make time for that balance?

There’s obviously a sacrifice that needs to be made. Sometimes I have to travel four or five times a month, so it’s almost impossible to be at home as much as I would like. I wish I could say that I can manage it very well, but it’s a constant struggle. I address it quite regularly.



“SUDDENLY, EVERYBODY HAS WOKEN UP TO THE FACT THAT TRANSPORTATION IS AN EXCITING INDUSTRY. WE HAVE BEEN THE MOST BORING INDUSTRY FOR THE PAST HUNDRED YEARS, BUT NOW EVERYONE WANTS TO BE INVOLVED”

So if something were to happen to the business. If it all disappeared overnight, what would be your backup plan? What would you be doing if you weren’t at Aramex?

I love to travel, and I don’t believe in retirement. I imagine that there will be another phase in my life after Aramex. I would like to say that I will be chilling on the beach. Or going to the mountains and taking in the scenery. Those are both beautiful things to do, but for me it’s boring. I’ve got ADD or ADHD or both. I’m always on the move, I can never sit still, and if someone asked me to sit quietly for ten minutes without doing anything, I’d probably go crazy. So whatever it might be, it would involve more business and some hobbies. Lots of travel, meeting new people. I’d keep busy, very busy. **CEO**