

# imena Group

## BUILDING A REGIONAL INTERNET LEADER

If anyone can keep pace with the region's fast developing Internet scene, it's the founders of the iMENA Group.

BY DOMINIKA BZDUCHOVA

PHOTOGRAPHY BY ALAA' AL-SUKHNY



**S**ince it was set up in 2013, the iMENA Group has built and invested in a diverse array of online and mobile businesses. Their ventures have gone on to become household names around the region, such as online classified platforms, OpenSooq; real estate technology company JRD; their automotive marketplace SellAnyCar; and their restaurant reservation service ReserveOut. In this wide-ranging interview, iMENA's founders, Khaldoun Tabaza and Adey Salamin, discuss their group's future in an ever-changing online ecosystem, why a great deal of the region's most successful online businesses originate in Jordan, and what it takes to build a successful startup.

#### **How important is Jordan to the region's tech sector?**

**KT:** If you look at the most successful online businesses in the region, they have originated one way or the other from Jordan, either as a startup base, or as founders who have gained their first experiences in Jordan, and then went on to start businesses across the region. If you are Jordanian, young, educated, and ambitious, you tend to be hungrier for success, and with the lack of comfortable multinational corporate jobs, Jordanians tend to take the entrepreneurial path, and the online industry is an obvious choice.

**AS:** For several of our businesses, Jordan has been both a target market and a development hub. Since our establishment, we have benefited from the availability of young, talented, and hard working development and support talent that is fluent in Arabic and English, that

understands the region around us, and is flexible enough to evolve and move wherever there is a need for them across the region.

#### **A recent survey showed that more than 70 percent of Jordanian businesses want to relocate out of the country. How satisfied are you with the business environment here?**

**KT:** The business environment in Jordan remains conducive in many ways. An online business needs to position itself in the right manner to be able to benefit from the advantages of the country. Fortunately, and unlike, for example, many of the manufacturing or other traditional business sectors, most of the online business models are not directly affected by factors such as the high cost of utilities, or the local tariff and regulations. We tend to provide scalable digital services to our users that are not dependent on certain geography, and are not influenced that much by government policies or regulations. However, and while this remains true in many aspects, the competition for talent in the region has been heating up, and Jordanian companies are now competing for the best talent with other regional and international companies. This has led us to establish a strong base in places like the UAE that are able to attract talent from all over the world. For other business models such as e-retail, it has become indeed challenging to start a business out of Jordan, as the logistical infrastructure and the import and export policies are unable to compete with those of other countries such as the UAE.

**AS:** We remain believers in integrated, lean, and vigilant online businesses and business models, where we seek to establish teams

and execute market entry strategies across the region in the best interest of our businesses. In many of the cases, businesses will follow capital and talent. Capital has been difficult to find in Jordan, and hence we see many of the businesses being started in Amman, and then opening up additional hubs in the UAE and KSA as they proceed towards their next phase of funding. We have also seen the opposite where international and regional Internet businesses are coming to Jordan to tap the technical young and hungry talent, and I expect them to continue to do so. Additionally, and while Jordan remains the best source of junior and mid level technical talent, we tend to see more senior talent gravitating towards better pay and more opportunities across the GCC. We will continue to invest in growing our local talent, but will also continue to attract talent wherever they are.

#### **You've been credited with helping to create the first generation of Internet professionals in the Arab world back in the 1990s. How has your experience in setting up the Arabia.com portal influenced your decision to found iMENA?**

**KT:** When we started Arabia.com, we had a great product, but the market was at its infancy, and we did not have enough users in the region to sustain large online businesses. Since then, myself and Adey have been experiencing IT and online businesses in various capacities as managers, investors, and founders of multiple businesses, the last of which was Riyada Ventures, which we sold to Abraaj Group in 2009. The mobile and telecommunication revolution in the region led to a massive increase





Dr. Khaldoun Tabaza, iMENA Group Founder & Managing Director

in the number of Internet users, and in 2013, we came to the realization that demand for online products and services had come to a stage where it far exceeded what was available for those users. We came to the conclusion that it was the perfect time to get back into the game again in a major way, and decided to start iMENA as a hybrid operator and investor model.

**In the past few years, a lot of investment and attention has been given to e-commerce in the region. What's your take on this?**

**KT:** Since the start of iMENA, we have stayed away from e-commerce, or to be specific, e-retail businesses. Our strategy has always been based on selecting business models that target the largest existing markets in the region that are undergoing digital transformation, and where such business models can have a strong network effect that creates high barriers to entry, or in other words, what we call defensive business

models. By learning from other developed as well as developing markets, we have had a sharp and proactive focus on classifieds and marketplaces as our business models of choice. In those business models, we have focused on industries such as real-estate, transportation, automotive, hospitality, and recruitment, which essentially translated into our existing set of businesses that clearly reflect this strategy.

**What are your most successful investments and why?**

**KT:** Our vertical business models that initially focus on single markets, like SellAnyCar and JRD, are early revenue generators, and they have now reached profitability and are scaling in an impressive manner. JRD Group is the leading integrated real-estate online platform in the region, where our PropSpace Software as a Service platform is the undisputed market leader for agents, brokers, developers, and property management companies across the region. Our JustProperty.

com listings portal enjoys a leading market position in multiple countries in the region, and we are very happy with our partnership with the JRD team. In contrast, businesses like OpenSooq have a massive reach across multiple markets at once, which requires patience and a long-term vision, making monetization a natural outcome of the leading market position that OpenSooq is enjoying in multiple markets across the region, with more to come. Other businesses such as ReserveOut and Easy Taxi have clearly proven their business models in at least one or two markets, with a clear path to revenue ramp up. The overall mix has led to strong revenue growth for iMENA in the last two years, and we're just getting started.


**What are your plans for the near future?**

**KT:** Today, iMENA is focused on moving closer to an operating group model, with the vision of establishing more synergies, integration, and value out of our existing classifieds and

marketplaces business models, and that is expected to be our focus for the next two to three years. As we grow, we are continuously exploring new funding sources as well as allowing our investors and team to realize value out of their investments, and for iMENA overall to evolve into a pillar of the online industry in the region for the long-term. As such, we continuously consider and evaluate our options, including a public listing of iMENA on a regional or global stock exchange.

**What would be your advice to an entrepreneur who decides to start an online business in the region?**

**KT:** Start by selecting the right market, one that's big enough to justify the risk. Also select the right business model, one that's immune to global players who are ahead in funding and maturity. Make sure you have the right base, where you can find supportive investors and early adopting clients. Finally, ensure you have the right cofounders and team who believe in the business as much as you do to remain through the tough times.

**AS:** Don't expect to know everything when you start. Just do it and learn along the way. Make sure that you're really solving a problem. You should also put your users and customers first by directing all your efforts to listening carefully to your users and making them happy. Last but not least, be ready for a very bumpy ride and make sure you never give up. 



**Adey Salamin**, iMENA Group Founder & CEO of OpenSooq.com

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opensooq.com



OpenSooq is a mobile classifieds marketplace in MENA with 15 million app downloads, making it one of the top downloaded regional apps of all time. The company operates mainly within its key markets of Jordan, Saudi Arabia, Libya, Kuwait, Oman, and Iraq. Witnessing phenomenal growth of 320 times in its core KPIs from 2012 to 2016 and generating 1.5 billion monthly page views, OpenSooq is on its way to capture a big part of the estimated \$1 billion classifieds

market in MENA. It was one of the first businesses to join the iMENA platform when it was established.

Adey Salamin, iMENA's founder, who is also the CEO and cofounder of Opensooq, said: "The growth in mobile Internet and smartphone penetration in the region is changing the Arabic classifieds market, and Opensooq has been leading this transformation."

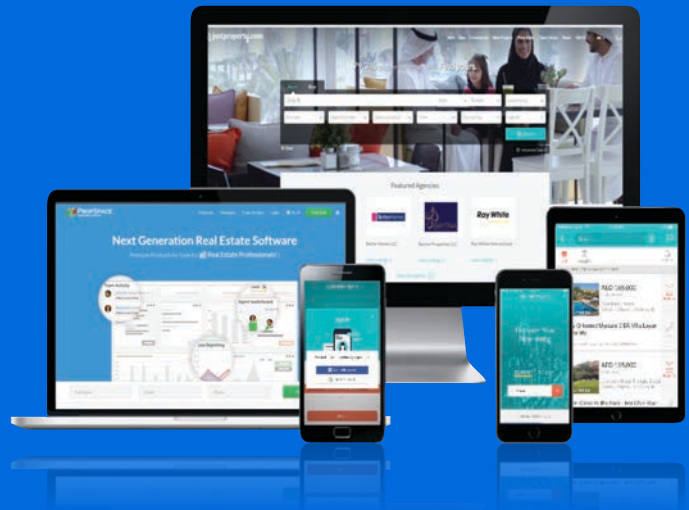
OpenSooq's website and mobile app allow users to browse new listings, post ads for products and services, and shop a variety of categories that include automotive, real estate, electronics, home, fashion and others. The platform also has a blue-collar jobs category where users can post ads for employment vacancies and search for job opportunities in the region. "This feature is very important to us, especially given the region's high youth unemployment rates," said Salamin. Salamin has been dedicated to the Middle East's consumer Internet industry for years. Prior to OpenSooq and iMENA, he was a VP and a member of the investment team at Abraaj Group and before that he worked at Merrill Lynch Investment Managers in New York and New Jersey.

JRD Group's JustProperty.com is an online real estate marketplace that allows users to browse commercial and residential properties for sale and rent in eight MENA markets (UAE, Qatar, KSA, Jordan, Oman, Bahrain, Lebanon and Egypt). With almost 80,000 listed properties, JustProperty.com is one of the most effective lead generation platforms for real estate businesses in the MENA region, and one of the most trusted property portals for buyers and tenants.

The company also operates PropSpace, a real estate software solution for thousands of real estate agents, property managers, and developers in the MENA region. PropSpace is a cloud-based software that allows real estate professionals to manage effectively all aspects of running their business online.

JRD Group also recently launched an international version of its real estate software (RealSpace), with immediate traction and paying clients signing up from day one in the United States, United Kingdom, Canada and other European markets.

The cofounding partners, Alex Nicholas and Siddharth Singh, moved from London to the UAE to start the company in 2008. Prior to the move, they worked as consultants at Accenture UK. "Over the past nine years, we have tirelessly worked on leveraging the power of technology to revolutionize the real estate experience. We plan to continue to work closely with the real estate market in order to deliver on the standards and innovation levels that our end users have come to expect from us," said Nicholas.



SellAnyCar is the Middle East's first and largest car buying service. It provides users with free online valuation for their cars, followed by automated inspection across their sites and guarantees them an offer to buy their car in less than 30 minutes. Simultaneously, it offers used car dealers the opportunity to purchase cars through a competitive real-time bidding process.

Without the need to hold inventory risk, SellAnyCar generates the bulk of its revenue through margins on cars sold. Over 20 percent of the car population in the UAE is registered with SellAnyCar, giving the company access to a significant amount of data on cars in the country.

SellAnyCar currently has the largest branch network in the UAE and continues to open new locations in the country. The company plans to expand into Qatar and Kuwait this year followed by other regional markets. The dealer network of the marketplace is continuously growing across the region which will soon enable international bidding. Additional near term growth strategies include dealer financing and leveraging car data to generate leads to insurance companies.

Saygin Yalcin, the Founder and CEO of SellAnyCar.com, also founded the first online private shopping club in the Middle East, Sukar.com, which was later acquired by Souq.com. He said: "Selling a car used to be a lengthy and risky process. Consumers were not sure about their car's real value, needed to arrange too many appointments with time-wasters or might have ended up getting ripped off. SellAnyCar.com makes selling any car easy, fair, and quick. You can literally find out your car's value within 15 seconds, sell your car and get paid during your lunch break."



## reserveout

restaurant reservations simplified



ReserveOut is an online restaurant reservations platform and table management system provider in the Middle East and other growth markets. ReserveOut provides hundreds of restaurants with a reservation and table management software to manage their reservations, seating, and customer databases.

Additionally, through its website and iOS and Android mobile apps, ReserveOut also allows diners across several cities in the region to easily make reservations at over 1,000 restaurants, including leading international hotspots such as Coya, Okku, Jean Georges, and The Meat Co., among others, in Dubai, ReserveOut's most important market. The company announced that it has seated over 10 million diners through its platform since inception.

"We are excited to continue providing restaurants and diners in the Middle East with technology solutions that make restaurant management and reservations more efficient and pleasant," said Khalil Shadid, the founder and CEO of ReserveOut, who started the business with his cofounder, Bashar Saleh in 2012. At the time, Shadid and Saleh decided to launch the business in the Middle East when they were living in New York. It was 2009 and they couldn't get a restaurant booking in Amman for their upcoming trip. A veteran of Cisco Systems, Shadid actually credits his time with the multinational for a lot of his current success as an entrepreneur. "I was part of a team that managed, advised, and sold communications technologies to Fortune 100 companies globally." ReserveOut's future plans include expansion across new markets as well as creating new product features.



Easy connects taxi drivers and passengers at just a tap of the button. It's now available in 14 countries, over 100 cities, has been downloaded over 2 million times, and has hundreds of thousands of drivers in its network.

Easy expanded into Saudi Arabia and Jordan in partnership with iMENA, and has since been witnessing continued month-over-month growth and expansion. Furthermore, they have recently won the tender floated by the Greater Amman Municipality as an official party to manage and develop the taxi-tracking system in Amman. In addition to the ability of requesting a private car driver via the app's EasyGo option, it is the only one that provides a refined conventional yellow taxi requesting service via its EasyTaxi option.

"Since our start three years ago, Easy Middle East has provided an affordable, convenient, and safe way of transportation for millions of people. We are proud of this accomplishment as well as our contribution to improving transportation by both adding new transportation offers like our private cars as well as working steadily with traditional taxis to raise their quality of service," Mahmoud Fouz, Easy's Middle East CEO, said. "This focus on operational excellence has been driving our growth which reached 100 percent compared to last year."