



## Creating Emerging Markets – Oral History Collection

**Fadi Ghandour, Founder and Former CEO, Aramex**  
Geoffrey Jones, Isidor Straus Professor of Business History,  
Harvard Business School  
July 4, 2017 in Dubai, UAE  
Video interview conducted in English

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**Interview with Fadi Ghandour**

**Interviewed by Geoffrey Jones**

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**Dubai, UAE**

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**GJ:** *Thank you very much for taking part in the Creating Emerging Markets project.*

**FG:** Thank you. A pleasure to be with you.

**GJ:** *Can we begin at the beginning, with your childhood? I understand that your father moved from Lebanon to Jordan when you were very, very young. And he soon built an interesting career, including co-founding—or founding—Royal Jordanian Airlines.*

**FG:** Right.

**GJ:** *What was it like to grow up in Jordan at that time? Did it shape your future development in any way?*

**FG:** Oh, I think so. I think living in Jordan, the experience of my father with his political activism, and why he moved to Jordan—an extremely hospitable place, you know? I feel Jordanian completely. My friends are Jordanian. My childhood—my adulthood—was shaped, and my business eventually was shaped, out of Jordan. Amman, specifically. The capital was a small town, very close-knit, but a town of relatively, if you want—a town of refugees. So you had the Palestinian refugees of 1948, and then 1967. There was a massive diversity in it. It had Christians, it had Circassians, it had Armenians in it—so people who came from all over the world, not only from our immediate neighborhood. I had some classmates who were originally Greek, who had come to Jordan and became Jordanian.

So we lived in a place that was diverse. I went to a school— a Christian school—that had a majority of Muslims studying in it, believe it or not. That definitely shaped the way I am. My father’s political awareness, also, and his activism and all that, and his friends... And then, discussion around the political climate of the region. So, I have vivid memory of what happened in the 1967 war between the Arabs and the Israelis, and I have vivid memory of how it felt to experience that defeat in 1967. It affected our psyche very much. You know, the geographic positioning of the country—it’s small, it had many people coming from different parts and effectively building the capital, Amman—absolutely shaped me. There’s no question about that.

**GJ:** *How did all this affect your psyche?*

**FG:** It affected me in understanding—which I think is critical—and having a sense of resilience, a sense of struggle, a sense of having to actually appreciate that you have to work hard for things. I came from, eventually, a well-to-do family, but originally that was not the case. My grandfather came from a very poor family, and so my father was the first to have been educated in his family. He was the eldest son. That was part of our narrative at home, so it obviously speaks to who you become.

I lived in a house of women. I have four sisters, which I bet you didn't know. So living in a house of four women, growing up with a mother—my father was traveling all the time because he was building the business—that shapes you: how you view women, how you view your life in a place that had that affection and that camaraderie of sisters, not brothers. There is a sense, I feel, of appreciation of things that others might not have appreciated. So this was all in one big mix of things that obviously affect you.

**GJ:** *Was your mother a very formative influence on you?*

**FG:** Well, yeah, because she was always around. I still appreciate her. She still—my father and mother, luckily, are still around and still remind us of things that we did in our youth. I was a very naughty boy—really, really tough kid in school. She would be at teachers' meetings often with people complaining about my attitude in class and in school. She was tough, but she was extremely loving.

**GJ:** *Did you ever consider being a political activist?*

**FG:** Yeah, but my father taught me very early on—never get into politics, because of his experience. We were aware of the dangers and pitfalls of being politically active in this region. But I grew up extremely interested in history and politics, and I ended up studying political science at George Washington University, even though I started out studying engineering. I was told I was so bad in physics that I should never, ever attempt to be an engineer, so I dropped out from that very quickly and ended up in my natural space—in my view—which was political science. And I felt at home in that space completely, specifically because of my experiences and my father's work—we felt that we were living the history ourselves.

**GJ:** *So you studied political science and then, remarkably, a few months afterwards, you decide to pursue a career in business. How did this happen?*

**FG:** I can't even think that that was a decision, as such. I call myself an accidental entrepreneur. Entrepreneurs, very early on—it is not something you study, obviously. Maybe I will come back later to how the political element affected my view of what I did eventually, but Bill Kingson, my co-founder and the guy that effectively threw the idea at me, was a family friend. At a meeting that we had, he said, "You know, do you know this

courier industry that's just coming up? There's this FedEx, there's UPS, and then there's this DHL thing, and it's happening, and I know that the Middle East doesn't have too many people competing in that space. What do you think about us venturing into it?" Specifically, he had a small courier company, if you want to call it that, in the northeast area of the United States at that time—very small. He flew aircraft for regional central banks in the US, carrying canceled checks. So he was in the business, but on a very small scale in the tristate area in the northeast.

**GJ:** *What was his connection with the Middle East, though?*

**FG:** He was friends—family friends—with my father. His connection was not necessarily the Middle East. His connection was the aviation industry.

**GJ:** *That's how he'd encountered your family?*

**FG:** That's how I met him.

**GJ:** *Why did you respond? So it's one thing for somebody to say, "I have a good idea—*

**FG:** I don't know. I was working at a rent-a-car company then, for about a year—literally renting cars. I didn't know what to do. That was not my

career, obviously. I interviewed at the central bank in Jordan and decided that was not something I wanted to do. One, because I didn't study economics. I didn't understand that space well. And when you're 22, 23, the confusion of where you want to head is ample. So when Bill mentioned the idea, and I had experienced FedEx as a student, and we thought, "Okay." Postal authorities were—and postal services were—a disaster then, and they haven't improved so much since. I can say that. So we thought, "Okay"—having nothing to lose and not even thinking too much about what this means, other than the aspiration—"We are building a FedEx of the region." And then you plunge into it, effectively, and then discover the massive challenges that you go through to actually build that infrastructure that became what it is today.

**GJ:** *How did you actually start?*

**FG:** I visited Federal Express (so their hub in Memphis), went to Burlington Northern in California (where they had a hub), and then went to Purolator, in Cleveland. These were express companies—two of them don't exist anymore. But again, the industry at that time was at its infancy. FedEx was only about six or seven years old. UPS was only a ground transportation company. Airborne Express was just starting to go into the express business—it was a freight forwarder before.

There were hundreds of courier companies that were popping up during that time, just like the digital economy companies that are popping

up today. The industry was just booming, and we were effectively—if you want—at the right place, at the right time, in the right industry. Because that was the trendy industry to think about. It was disrupting the postal service. The overnight message of Federal Express, you will remember, was revolutionizing the way packages were being delivered. Industries were being affected. The core of it was the United States, obviously, because FedEx were the pioneers of it.

And then I come back to the Middle East, started visiting every single city there to see how we could open up offices—what sort of licenses do we need, do we find joint venture partners on the ground—and started thinking about how we could actually build that industry. Then we were thinking about the domestic services and intra-city, intra-country—I mean, we were thinking about everything. Then it hit us how it was going to be difficult to start that business and to build an infrastructure that would compete with the DHLs of the world—because DHL was operating there at the time. There were a couple of other companies that were operating there.

We discovered the hurdles of getting a license from postal authorities, because they felt that we were infringing on their monopolies. Our competitors were able to find their own niches in how they operated. And we started also seeing the daunting task of building something that could be called, “the FedEx of the Middle East.” But we dug in our heels and said, “Here is what we’ll do.” You have to find somebody to partner with in every single city that’s able to clear customs and deliver packages.



**GJ:** *How did you start about dealing with these national postal monopolies? Was it a different story in every place?*

**FG:** It depends on the country. So when you talk Middle East, it's very important to remember that the Middle East is many countries. Egypt was extremely strict about its postal monopoly. The UAE wasn't. It was a gray area, so they allowed people to operate. In Bahrain, it was also a gray area, and postal authorities allowed people to operate. In Jordan, there was a complete block on it, and it took us a long time—maybe six months—to get the license.

So we basically went out and said, “We’re going to set up anyway, and we’re going to find people who are already operating a local messenger service and partner with them, rather than build our own infrastructure.” Because it was—you know, the cost when you’re a startup—there wasn’t much capital out there. So you want to find the easiest way, and the simplest way, and the least costly way to build a local presence. Then we had to find travel agents. We found small cargo agents on the ground who were willing to earn a couple of bucks extra to deliver a package at the end of the day.

But the critical element in all of this was, as we discovered, finding our niche. We knew that we were not going to be able to compete with the DHLs of the world, because from day one, we knew that in this industry, you needed to be global. You can’t go to a bank here and sell a product by saying, “I can deliver only the Middle East for you, so you have to use

somebody else to deliver your global product.” They’ll tell you, “Well, I have someone that actually can take everything—all my packages—and deliver them. Why should I be sharing a little bit of this business? I don’t know you. Who are you? What kind of a brand are you? Why should I trust you?”

So what we did was we discovered—relatively early on, luckily—that the big American companies—the FedExes and Airbornes of the world—were only thinking domestic, thinking about the US. They were just dabbling around with what they wanted to do globally and internationally, and there were plenty of courier companies specializing in certain countries that they could partner with. But they did not have anybody to do the Middle East for them properly.

So we thought, “Okay, this is our niche.” Instead of going retail and selling to businesses in the Middle East, we wanted to go and become what we called at that time, *wholesale*. We became the B2B partner and outsourcing partner of Airborne Express, Federal Express, Burlington Northern, and Purolator. They all got some Middle East business, which they did not handle, just because clients gave them those packages. Before we came along, they would give them to DHL, which was a competitor.

But then we said, “We’re an independent player. We won’t compete with you. We’re small. We’re only focused on the Middle East, and we’re going to establish a small office in New York. All you need to do is give us your packages in New York, and we’ll take them all the way to Middle East and deliver them for you on your paperwork. So it will be a FedEx package,

an Airborne package, a Purolator package. We will look like you in every single delivery that we do.” That was the niche. That’s at the core of where Aramex eventually ended up. We were a wholesaler. That was the least cost possible for us to build in that space. That was what I would call now our safe zone. That was a zone where the competitor could not come into, because FedEx didn’t want to give their packages to DHL, because DHL competed domestically.

And then, we operated in a very difficult area. As you would know from today, and from all the way back 35 years ago, the region was a very difficult region, not only in the regulatory side of things. It was fragmented. Foreign ownership laws were not even in existence in many cases. And at the same time, there was political turmoil—you know, in 1982, Israel invaded Lebanon. There was a Lebanese civil war already. There was an Iraq-Iran war already. Turmoil all over the place. The price of oil had plunged. That was a repellent for businesses potentially considering entering the region.

So the big companies like FedEx, I would say, or Airborne Express—they would say, “If we want to venture, we’re going to venture into Europe, we’re going to venture into Asia. These are big markets. They’re opening up. They are trading hubs. They are industrial bases, so there is a demand for package delivery.” And the Middle East was seen as a backward space, so it was left alone, luckily.

The turmoil in the region, and the political climate in the region, and the regulatory hurdles in the region... I would say, today, that this

environment—it was a competitive advantage in ways. We didn't think of it that way at the time, but it was an advantage in the sense that it gave us the space to set up the business with few big competitors. Yes, DHL was there, and then TNT was there at the same time—it was called SkyPak at that time—but there were only two or three competitors.

It allowed us to find the niche, to build our own space at our own pace, and in an asset-light mode. I didn't need to buy aircrafts. We didn't need to own warehouses. What we needed to do was have a physical presence in key markets—London, New York, Hong Kong—to pick up from other courier companies who did not have the Middle East as a place to deliver their packages. Everyone wanted to be global, so we said, “We'll cover the Middle East gap.” That's why we became the Middle East courier company of courier companies. Everybody used us. We dominated that space completely—completely. That was our niche. This is where we got the checks to pay our salaries at the end of the month.

We learned the industry from them, so I cannot claim that I was an inventor of anything early on. We eventually innovated. We eventually distinguished ourselves by creating new products. But our original business was to deliver packages for the big boys and learn from them. We introduced their own technology. I didn't have money to buy a tracking and tracing system with a mainframe. Can you imagine? Mainframes at that time cost tens of millions of dollars. But FedEx made it available to me so that they could track and trace their own shipments.

And then, being very entrepreneurial, we used every single piece of knowledge, every single piece of technology, every single piece of standard operating procedures, from these really fantastic organizations. Remember, FedEx was at the top of their game then. Quality was their thing. They had won the Malcolm Baldrige, if you remember—I don't think it exists anymore—the award for quality. And they would boast about it. We learned from them.

**GJ:** *How did you learn from them? Because you need people to learn. Where did you get your people from, your talent?*

**FG:** I can tell you that we—strategically, and very clearly—focused on partnerships. I understood the importance of partnering with FedEx, so this was not an accidental process. We wanted to learn from these people. And then, they were forcing us to learn at the same time, because we had to adhere to their own standards of operations and to stick to their standards while we were delivering for them.

But where did we recruit? We did two things. That's a very good question, actually. We were not able to recruit from competitors, because as a startup... who would want to work for a startup in the express business that was competing with DHL? I mean, who would want to bet their career and say, "You know, I'm going to work for Aramex. Who's heard of Aramex? Why would I leave DHL and come to Aramex?" So we understood very early on that, one, these people will never work for us.

Number two, they can never fit in our work culture, because our work culture was a go-getting, entrepreneurial work culture—because we had to prove ourselves as a brand. We were not known.

In this business, you actually had to knock on doors as a salesman to sell the business. You had salespeople knocking on doors, and saying, “I am from FedEx, I am from Aramex, I am from DHL,” and they’d give you packages. In DHL—and I can verify this and always vouch for it—it was easy. You know, it was DHL. What did you need to explain when you said you were from DHL? People’s response would always be, “Oh, absolutely – you’re the package delivery people.” But if an Aramex person came in and said, “I’m from Aramex,” you would have to do a lot of explaining—what Aramex was, and why you should get the business versus DHL, who was a global mammoth. So we needed hustlers, we needed salespeople, and we needed people who were willing to go out and understand exactly what we were selling and be very entrepreneurial about it.

So what did we do? We ended up doing two things with recruits. One was purposeful, and the other was accidental. One is we recruited college kids that had just graduated. The economies of the region were not doing extremely well, so we were able to bring in people who were as naïve as I was, or as innocent as I was, and said, “Okay, look, we’re building the global company here. It’s a fantastic company. We’re going to beat these competitors up. Come and work for us.”

What did they have to lose? Nothing. They came. They were willing to bet on us. And the people that run Aramex today are all graduates of that story, so American University of Beirut, some graduates from American universities, some from American University of Cairo. These were our recruits. They were young kids—they were 22, 23 years old when they came to this company.

Then, luckily, as an accident of history, the biggest freight forwarding airline in the region went out of business just a few years before we launched our business. That company was called Trans Mediterranean Airlines, a Lebanese company that was the first company to have built an all-cargo airline that went around the world—with Beirut as a hub before the Lebanese civil war. But because of the civil war, eventually they stumbled. I recruited one of their people, who was ten years older than I am. His name was Safwan Tannir—fantastic guy. He said, you know, “I bring a lot of airline knowledge. You lack it. Let me help you out.”

So I ended up recruiting a mature guy who understood how to negotiate with airlines. Remember, we were a non-asset-based company, so we had to do a lot of negotiating to buy space from airlines to ship our packages from one place to another. Safwan was a critical element. But what did Safwan do? Safwan said, “I have many friends who are experienced in this business, and who are looking for jobs.” So we ended up with a balance of the young recruits from college and more mature people. That combination is at the core of what Aramex was built on.

Eventually, the older guys—except for Safwan—left, because the express industry was a young industry. It was very difficult for people that had a freight mentality to understand, why do I have to work as hard for a 1,000-kilo package as I do for a 2-kilo package? There was a big struggle in the industry between freight forwarders and express companies. Express companies made more money because they consolidated tens of packages in one big box, effectively, and you charged an arm and a leg for it, while freight forwarders would charge—with one package, they had to charge much less.

That mentality eventually vanished because the industry was disrupted—the freight forwarding industry became a door-to-door industry. It was not an airport-to-airport industry. The express players like FedEx, UPS and ourselves eventually dominated that space by building the infrastructure for the last mile that everybody talks about today.

**GJ:** *Did you use Western expatriates?*

**FG:** We did not. We purposefully went out recruiting people from the region, mostly from Lebanon, Jordan, Egypt, Syria, and Palestine. I felt much more comfortable with people from that area, and then, Western expatriates really were not very keen to even work for us. But, in another sense, it was a differentiator for us from our competitors.



Again, back to the local brand versus global brand—our competitors only used Western expatriates, or Eastern, for that matter. There were a lot of New Zealanders in our competitors, a lot of Australians, a lot of South Africans that came and became expatriates working for the competitors. We recruited people from our own region. We felt that they were at home. It was, in my view, on the long run, a competitive advantage. Our competitors eventually had to do that, because they needed to be local. You can't be global and not be local at the same time when you're competing on the local level, specifically in a people-intensive business then.

What do I mean by people-intensive? You needed to knock on doors, and you needed to talk to the people who were your clients. When you're speaking their language, when you understand their culture and their experience—there was that differentiator, if you want, and that competitive advantage. In our view, and we had much more loyalty.

As you have come back to that question many times, professor, the Aramex management today—all senior management were people we recruited very early on, from colleges either in the region or globally. They were Arabs, and they continue to be with us 20, 25 years later. The current CEO of the company had his first job at Aramex. The CFO had his first job at Aramex. The chief operating officer had his first job at Aramex. They have never left. A whole bunch of senior managers of Aramex today are between 15 and 25 years in the business.

That's good and bad in many cases, because renewal is important, and the industries get disrupted, so you need fresh blood—people who are born with and understand the new ways. But also, loyalty and long-term presence is a sign of maturity, and investors like that. And the depth—that was what allowed me to leave eventually.

But back to your question—no expatriates from the Western world. You will find some today, because we attract people now. Before, we were begging people to work for us. Now, people knock on our door all the time, even though the war for talent, as you know, is the biggest issue in the world. Aramex, eventually—once we became a brand—never had a problem. It's hard to remember that I was, at one point, not able to recruit someone I wanted.

**GJ:** *How did you control your workforce? Because you've got a large number of salesmen scattered around the region. There are lots of opportunities for things to go awry.*

**FG:** Yeah, so that's—again, back to two things that matter in Aramex today. Number one is the corporate culture of the organization, and number two is tied to the corporate structure. So very early on, I was continuously thinking, “How do I actually create a corporate structure? How do I create a corporate organization—what is the organization's structure?” At that time, I got some friends to talk to, I looked at various businesses, and I thought about command and control, head office, branch offices reporting to a head

office, etc. But it didn't work for us. It didn't click with my mind, with my entrepreneurial ways, and the way I wanted the organization to be.

So eventually, I stumbled on an idea—this is four or five years down, because at the beginning, we weren't even really planning. We were just, you know, thinking, "Go open an office and deliver packages and then think about everything else later." But as we started having tens of new employees—hundreds, eventually thousands, even—I stumbled onto an article by Charles Handy called, "Federal Organization." It's a *Harvard Business Review* article. I read it, and I said "This is it. We are a federation. We cannot be anything except a federation. We cannot think of command and control. We're not pyramidal. The world is changing. The world needs to think differently. I need to push decision-making to the front line."

At the same time, by the way, Charles Handy wrote that piece because he was also talking about the European Union then – the issue of subsidiarity, the issues at the core. Back in 1992, '93, the EU had not gotten to where it is today—well, it's going full cycle now—but he had written that organizations need to also think of themselves as federations.

What does that mean? At the end of the day, you push power to the front line. So the salesman decides his manager is a local CEO. You own your story on the local level. Don't come back to me into headquarters mentality and say, "I'm waiting for a decision." I'm going to give you the pricing you need. I'm going to give you all the things you need. You go and sell. You do your own profit and loss on the local level. Don't come to me. You become a mini Aramex in every country or in every city—completely

decentralized, completely flat. All right? Two layers, maybe—max—between me as a CEO and the guy that actually delivers a package.

And then we thought, this is it. This is how we can differentiate ourselves from our competitors who are much bigger than we were. Decision-making took much longer for them because of pipeline bottlenecks. So once you empower the guy on the front line, he is king. He is Fadi Ghandour on the ground. He is the CEO in that city. Go sell. Your client is your client. He's not my client. I'm sitting back in Amman or back in Dubai, and you're in Cairo. You think your client cares who sits in Amman? You go do your own thing.

So we became a federal organization. And in a federation, you do two things. One, the center is a service center rather than a headquarters. That's why until today, the Aramex back office and the Aramex corporate office is called the Global Service Office, GSO. If you talk to any Aramex person today, he doesn't say headquarters. He says our GSO. We taught people, culturally, to think that they are service centers that help people on the front line win the battles, because the battle is not at the headquarters. The battle is at the front line. And we would use that language. We talk about front-liners, go fight your battles. It's a sort of 21<sup>st</sup> century cellular war, if you want. You have to be ultra-local—hyperlocal—to win your battle.

That also reflected the culture of the organization—very entrepreneurial. So an Aramex manager in a country and a team leader—I should add that Aramex, even on the local level, was split into teams of

between three and five people, and each team owned a certain segment in the industry, or a certain geographic area. And that segment—that team had the power, also, to actually take decisions on the ground. So, what did we do at the center? We provided global buying power. We provided the global network. We provided the technology. We provided the relationship with the big partners that we had—the FedExes of the world. They did the local stuff, we did the global stuff. We made it available for them so that they were able to compete.

And they became entrepreneurs, so the whole idea was, how do we bring in the entrepreneurial culture, go-getting culture, hustling culture? Because we were competing with global brands. You needed to be ten times more aggressive than a global brand, which could be, and was eventually, complacent. That's how you eat their lunch—you're much faster. In a decentralized organization, in a flat organization, the bottlenecks shrink. It becomes local. He takes the decision. He owns it. He wins with it or he loses with it. It's his baby. That's still the story of Aramex today. It's a federation of locally empowered operations.

**GJ:** *At the end of the spectrum of entrepreneurship, there's corruption.*

**FG:** Right.

**GJ:** *How did you control to prevent corruption in the organization?*

**FG:** So corruption—I'm assuming internal corruption? Or, you're saying corruption with the outside world?

**GJ:** *Corruption to get business.*

**FG:** Look, we were very strict. You will see that in all the Aramex publications today. And we were the first company to issue a sustainability report that addressed that issue. Our global clients today will not even give us business if we don't show them, specifically, how do we deal with issues of relationships with customs? It's a complex region, as you know, and we had to tread very fine lines. But there was never a corporate tolerance for it—we never told people go to that level to get business. If there was somebody asking for a handout in return for business—and this would be corroborated by anybody in Aramex—we would shy away from that. We would say “No, thank you. That's Okay.”

But it was there. It's an issue that's not with entrepreneurship, it's an issue with the industry. If you look at the global organizations of the industry, the issue of how do you handle—specifically with customs—how do you handle relationships of this industry, because it's a big issue. It's a big issue, and we were always part of that discussion, by the way. We've signed many declarations saying that we will adhere to certain standards. The way that we have solved it is that there were continuous discussions. We had a chief sustainability officer at Aramex. At that time, he was a CSR

officer. And we would have discussions about it, to limit it as much as we can. So there isn't that culture today.

The idea, if somebody had come to me and said, "You know, we need to do this and that," I'd say, "The way to win business is by superior customer service, and by superior service and delivering on our promises." If we have to do something else, then we are in trouble. It's not sustainable. So there was that discussion—yeah, absolutely. Good question.

**GJ:** *So moving forward, by the mid-'80s, you've developed a business, but you're incredibly short of capital.*

**FG:** Right.

**GJ:** *And you offer, I think, 50 percent of your equity to Airborne Express.*

**FG:** Even earlier. Airborne does not exist anymore, and I owe them a lot—I have to say that on the record. The management of Airborne were a godsend for me, specifically, more than Federal Express. Because Federal Express never thought of us as a long-term partner. Airborne did. Because FedEx wanted to go global. Airborne did not. Airborne wanted to go global through partners. FedEx wanted to on its own. And we knew that, and our bet was always on Airborne. That's why the relationship took—what—18, 19... 25 years, even. FedEx, when they were able to get licenses here [in

the Middle East], said goodbye—they gave me 30 days’ notice and said, “Thank you very much. We love you. Ten years. You got us into the region. Sayonara.”

Yes, we did offer a stake in the company for a minute piece of money. They said no. They were focused. They said, “Our battle is domestic. We’ll give you business. You deliver our packages. We’ll help you build your business. But we’re not going to buy 50 percent of the company.” In hindsight, you can say it was stupid. Maybe they never thought we were going to make it. So \$100,000, I think, is what we offered—I don’t remember. Something around \$100,000 for 50 percent of the business when we were very early on.

Anyway, so we’re here. We gained them [Airborne Express] as a client. We gained them as a partner. We gained them as a business provider, as a knowledge provider. That was much more important for me. But eventually, as you know, in 1996, before we went public on NASDAQ, Airborne came and invested \$2 million for nine percent of the company. That gave us the ability to go public, because we raised mostly US institutional money. Having Airborne Express as a ten percent or nine percent owner in Aramex gave reassurance to people about investing in a company that was in the Middle East.

Imagine knocking on doors of New York investment banks and saying, you know, “Invest in a company in the Middle East.” My God, you know, they would think of the Middle East as a place of bombings and confusion. But we would say, “Airborne Express—call them. They’ll tell



you how good we are.” That’s how we got oversubscribed. A good chunk of it was attributed to Airborne’s partnership, to vouching for us as a company that was worthy of an investment.

**GJ:** *Before you float on NASDAQ, you develop a new business model called Shop the World. I believe it was 1993. Can you tell us a little bit about the thinking behind that?*

**FG:** So Shop the World was, again, part of a strategy that we were continuously thinking about. Because we were always worried, Geoff. When you’re competing with a giant, and when you have clients that are as big as FedEx, you always worry that they’ll eventually dump you and build their own infrastructure. We always felt we needed to look for what I call today, *safe zones*, which means looking for products that they’re not going to encroach on, and different revenue streams that are not necessarily in direct competition.

The idea was not to compete. The idea was to build your own business so that you’re able to build it without having the competitors jump into it. At the core of that is what I call, *copy, paste, and then innovate*. So we copied and pasted. I can’t claim we created the industry. We certainly copied the DHLs of the world and the FedExes of the world. But then we needed to localize and customize and differentiate locally, and that’s how we innovated. Shop the World was part of it.

So Shop the World was bringing American—initially American—catalogs. Before the Internet—people don't know, but other than retail, people bought through catalogs—J.C. Penney, Sears, Hammacher Schlemmer. These are words that most of the young people that are probably at Harvard would not even remember, but they existed. This is how you shopped back then—either you went to the market and bought your products, or you had a catalog. So you would look at the catalog, look at the item, find the price, pick up a phone, and call—this was before there was even e-mail, obviously. You would pick up the phone, call a call center, and say, “I'm ordering this stuff.” And it gets delivered by FedEx or UPS or what.

We needed packages to come. I'm in the business of delivering packages. So what did we do? We created retail shops next to the Aramex offices and put all sorts of catalogs in them. And we told the clients, “Come and buy American products. Here are the catalogs. And Aramex will bring you the products.” Because we had an office in New York, the catalogers wouldn't even think that they're going international. We would do the order for the customer, and we would get the packages delivered into our JFK warehouse. That generated packages for us, number one, and some of these people had affiliate programs—what is known as affiliate programs. They gave us ten percent, fifteen percent. J.C. Penney, I remember, gave us maybe 30 percent.

We had tens of catalogs. Anything you can imagine in the world, which you see on the Internet today, was on paper. So we had a shop in Amman, a shop in Beirut, shops in Saudi Arabia, shops in Kuwait—Kuwait

was the biggest catalog shopper at that time. That created a different stream of business that ended up becoming—building the last mile for Internet shopping in the region. Because once that went away, we started telling people you don't need catalogs. They thought they obviously didn't need catalogs. They needed to buy online. And we also created that same PO Box address in New York for people who wanted to shop in the US back in the late '90s.

That Shop the World became Shop and Ship. So Shop and Ship was—again, when the Internet commerce or e-commerce happened, the Amazons of the world popped up, but they did not deliver outside of the US. So what did we do? We created local US addresses in our JFK office—PO boxes. Today we still have it. You can go today online to Shop and Ship, create your own address in the US, do your own shopping, and get your package delivered domestically in the US. Then, I pick it up for you and bring it over here. That created thousands and thousands of packages. That's how Aramex today built the last mile infrastructure for e-commerce. When e-commerce boomed in the world and started booming in the region, who was going to be carrying it? Us, because our competitors never thought about it.

That's the differentiation between thinking very locally and thinking globally. They're worried about bigger markets, different markets. We were addressing the challenges in our own markets that they did not necessarily see in their own headquarters. By the time they woke up to it, we owned it competitively—volumes, price, infrastructure, networks, clients—hundreds

of thousands of clients today. You go on the streets, and they still—even now that Amazon delivers outside of the US—people still say, “I’m using Shop and Ship.” It’s a different experience. It’s very sticky.

**GJ:** *Why would they use you, still, rather than Amazon?*

**FG:** Because it’s sticky. Because it’s not only Amazon—it’s so many others. It’s not about Amazon. It’s about everything. We eventually moved away from—we eventually built similar infrastructures in China, Japan, in Australia, and in the UK. So now, if you want to buy something from a Chinese e-commerce company, we have a Shanghai office that will pick up the package and bring it over to you here. So it became a global product. Is it being challenged today? Yeah, absolutely. As borders go down, as global companies and e-commerce companies start to localize, Aramex needs to innovate. But this gave us access to business that we would never have had if we didn’t create it this way.

**GJ:** *After the NASDAQ launch, you do indeed start to go global, expand outside the region. Where did you start first?*

**FG:** So you have to remember, we—very early on, because of our wholesale business—had an office in London, had an office in Paris, and had an office in Hong Kong, to cater for other courier companies that wanted to deliver that package on the ground in that airport, domestically,

and we would bring it over to the Middle East. We took that and built satellites around it, so we eventually thought we needed to be in China, so we went to Shanghai, to Beijing. We found a local partner in China, because in China you needed a joint venture partner. You can't venture alone over there. We opened in three, four different locations in Europe. But we wanted to specialize in emerging markets, so we built a substantial presence in India, in Pakistan, in Sri Lanka, in Bangladesh, and eventually in Singapore. We're in hundreds of offices, and eventually bought companies in Australia and South Africa.

So we did two things. We acquired companies. We acquired joint venture partners that had minority stakes with us. We acquired the franchisees that we had appointed a long time ago, when we didn't have money to open offices. And then eventually, when we had the money—when we raised it on NASDAQ, specifically—we went out acquiring and becoming 100 percent owners of as many offices and operations as we could.

Then we started adding products, so we added third-party logistics, warehousing, sea freight, air freight, land freight. We became the one-stop shop operator across the region, as you know. Aramex has at least 12, 13 different products, and today maybe 55 percent of the revenue of Aramex comes from the Middle East. The rest comes from the rest of the world. There's a good diversification of the revenue streams.

**GJ:** *You've talked in another interview of yours about learning from failure, and how, after each failure, you went on to internalize the experience. Could you give an example of a failure as you started to go global and how you learned from it?*

**FG:** Yeah. One big failure, I would say—a couple of failures I'd mention here. So, during the dot-com boom—the first dot-com boom and crash—we fell into the trap of investing and thinking that we were going to build the B2B marketplaces in the region here. We partnered with one of the companies that doesn't exist today on NASDAQ. We raised maybe 15, 20 million dollars. We created a company called Aregon at the core of it. We fell into the trap of spend, spend, spend. And then by the time we wanted to launch the product, there was no product, and then eventually the market crashed. So we understood after that—don't fall into these traps anymore. We should only invest in businesses that we understand very well, even though they weren't at the forefront of what was happening.

It streamlined our thinking about who we were, what our core competencies were, and how we should focus on what we do and let others do what they do. For instance, today, in e-commerce, the challenge was always the chunk of logistics cost to the product cost. We tested that also with an e-commerce company here—six, seven years ago—and we failed miserably at it. We owned an e-commerce company that was competing with people. We spent a lot of money on it. And we learned a lot, obviously. We learned the needs of e-commerce, but we also learned that

we cannot be an e-commerce company, even though we own the logistics, because an e-commerce company is the relationship with the client rather than the relationship with a logistics company, even though Amazon is changing that model. But that's another discussion altogether.

So we also learned that we needed to specialize on delivering for e-commerce companies. Let them worry about their own clients. It's not our business. We make money in taking a package from Point A to Point B. We're not going to be in the business of figuring out that we're going to make money on the product itself, even though Amazon is disrupting that model – but they can disrupt it, because they were sellers of products and eventually wanted to own the logistics of it. It's not the other way around. They're marketers. They're marketplace builders. We're only logistics companies.

**GJ:** *As you go global, were there any tensions with Airborne Express? Because you had this comfortable relationship and then—*

**FG:** Yes. There was a love-hate relationship between us—love-hate. When Airborne got acquired by DHL in 2003, I celebrated. I celebrated. I said, “My God, finally freedom. Finally freedom.” It was also a paradox, because we were dependent on their technology, and we had a lot of business that was coming from them. But my entrepreneurial mind was saying, “They are limiting our energy.”

We wanted to open offices all over the world. We had an office in Hong Kong. They would always tell me, “Fadi, why do you have an office in Hong Kong if Airborne has an office in Hong Kong? Why do you have an office in New York if Airborne has an office in New York? Why are you in Los Angeles? Airborne is in Los Angeles. Don’t open an operation in India because Airborne has another partner in India.” I would always tread a fine line between them completely firing me or completely loving me.

What saved me is that the Middle East had no other alternative for them, so they always had to love me in the Middle East and hate me everywhere else. We accommodated each other. We would shout. If you had come to our global meetings—the Overseas Express Carriers meetings, that was the alliance’s name—where Airborne was the dominant player... I always wanted to come and act as if I was a match to them. They hated that. You know, I was the younger brother. They were the big brother.

We were aggressive. We were go-getters. We, basically, leveraged every single capability they gave us, and we opened our own offices in London next to theirs. They hated it. But we knew that we could never only be dependent on that relationship, because what if they dump us one day? We’re suddenly without an infrastructure to be able to serve our clients.

So we built a parallel infrastructure continuously, and that’s when they got acquired by DHL in 2003. Obviously, DHL was not going to say, hey, you know, “Lovely meeting you, Aramex. We’re going to continue to service you.” In fact the regional manager of DHL—I have a very vivid memory of it—came to visit me in Amman, in my office in Jordan, and



said, “Fadi, what are you going to do now? Your biggest client is gone. Your network is gone. You’re not going to have technology. You are in trouble.” I said, “Ha, ha, ha, we’re not in trouble.” This is how we feel our entrepreneurial spirit is finally going to go to the next level.

Well, obviously, the smart fellow did not know that we had built a parallel infrastructure. Luckily—you know, God loves us—the Internet had just become ubiquitous, and the browser—God bless the browser—became our technology. I did not have to build a mainframe. Somebody else built mainframes. So the browser was a savior. The Internet had just started becoming available. The infrastructure for it was available. ISPs were all over the place.

Our Jordanian technology team built an engine for tracking and tracing and shipment management on the Internet, which meant you could implement it by just having a browser on your screen. That was a fraction of the cost of what we would have needed only three or four years earlier to build a replica of what Airborne did in a mainframe. You needed rooms and rooms, and tens of millions of dollars of technology spending. We were able to do it at a fraction of the cost. By the time DHL put off the lights at the end, nine months after they acquired Airborne in March 2003—they gave us nine months’ notice—we were ready to put the lights on for the whole global network.

I actually brought them to London after Airborne’s acquisition—all the global partners, maybe 45 global partners of Airborne. I said, “Don’t worry. Aramex has built a parallel infrastructure. We have the technology.”

This was critical. It was the glue that tied the whole network together. Without technology, you couldn't have had a global alliance network that operated on the same standards. The technology equalized the standards. Somebody delivering a package in China, or somebody delivering a package in Dubai, had exactly the same standard. They talk the same language online, on an Internet browser. So we became leaders.

**GJ:** *So you shared the technology?*

**FG:** Yes, I made it available. I said, "Here it is, managed through a back office in Amman, Jordan—low cost." They each pitched in a little bit, but I owned it. We owned it as an organization. So Airborne went out, and we became the global company that you know today. If Airborne had not been bought by DHL, we would have either had a fierce divorce with them, or we would have not been able to grow to where we are today. And after 2003, we eventually went public on the Dubai stock market. We had bought the company out of NASDAQ in 2002, and relisted it in 2005 on the Dubai financial market, and we got 64 times oversubscribed, by the way. Then the rest is history in that sense.

I think all the way up to that time, that was the last phase of Aramex's life—so Airborne goes, we go global. We now have offices in multiple areas. We started acquiring companies in markets that Airborne had been dominant in and didn't want us to be in. We went to South Africa,

Australia, Hong Kong, China. The Aramex of today is a product of the post-2003 acquisition of Airborne.

**GJ:** *Why did you decide to list in Dubai, because Dubai exchange has, I think, some restrictions on ownership and some other issues which may—*

**FG:** Yes, so it still is an issue, and I have been a vocal challenger of this, but I lost that battle, and I accept that. You know, local laws are local laws. You have to live with them. You can't do something, and then complain—even though we did it and I complained anyway. They didn't tell me to shut up, so I kept saying it. I have always advocated that there was no need for a restriction on foreign ownership.

But we went on in Dubai because we bought it off NASDAQ with Abraaj Capital. It was a leveraged buyout with a private equity firm—Abraaj and myself. My partner, Bill Kingson, at that time was also interested in exiting, himself. He didn't want to stay. NASDAQ was a fantastic experience for us from a governance perspective, from adhering to SEC rules, but it was far away. We were a micro-equity company, Middle East based. We weren't a sexy company in NASDAQ. Price appreciation of the share was minimal, maybe 20 percent, 30 percent over five years—so not much. Very little volume. Nobody was selling. Institutional investors were liking us because we were an interesting company, and the people were interested, but there wasn't much happening.

Then, Abraaj was just launching. Arif Naqvi, who was the founder of Abraaj, came and approached me and said, “You know, why don’t we buy this thing? Because it has much more potential. You’re not doing much on NASDAQ.” We liked that story, so we did it. And it was an opportunity for Bill to exit and make his money, and that’s what happened. We got the offer right before 9/11, and we executed right after 9/11. In January 2002, after exactly five years—practically to the day—we left NASDAQ; after five years of listing and a fantastic experience. We went private for three years.

And then—as you know—eventually, all private equity firms want to exit. They marry you for a very short period of time. So we spent three, three and a half years together with Abraaj, and then eventually, the way for us to exit was either through sale to a competitor, or through a listing. I felt there was much more value in the company. I didn’t want to sell. And I stayed in. And the way for me to stay in was to go public. At that time, as those of us who lived here remember, there was an absolute boom on the Dubai stock market.

I’ll tell you a story. We were aiming to raise one billion dirhams, which is about \$270 million. We ended up getting interest for 64 billion dirhams. That’s 64 times oversubscribed. Post-listing, our stock went up from one dirham to seven dirhams in six months—seven times. We were trading at 100 times earnings. It didn’t last long. Eventually the market—I wasn’t able to sell either. The company’s valuation today is exactly what we were valued at six months after our listing—we were valued at \$2

billion, when we raised only \$270 million in a span of six months. But then the market crashed.

It took us 12 years—yeah, 12 years—to come back to where we were priced at originally, but we are now trading at 16 times earnings. If Aramex is trading at 100 times earnings, we would be a different story altogether. Aramex does \$120 million now, so you can calculate that. We'd be the size of Federal Express or UPS. But luckily, Aramex continued to deliver consistently.

**GJ:** *Why did you decide to stand down as chief executive in 2012?*

**FG:** I was done. I felt that after 30 years... You know, I stepped down five years ago— in 2012, in March, at an annual Aramex managers meeting. I gave a speech. I told them pretty much what I've told you. I re-narrated the Aramex story and I talked about what my legacy could be in a couple of ways, and what they were left with: you know, the treasure, in my view, of Aramex as it is today, and the beauty of it.

But I stepped out for several reasons. One is I had interest in the digital space. I was investing my personal money there. After 30 years, you lose some of your fire in running the same business. I stepped out also because the company was at its peak. I stepped out because I wanted to show that this is an institution. It's not a family business. None of my children went into the business—purposefully.

And I stepped out because I also felt that this was setting an example, because Aramex had become really an icon of an organization across the region. So I'll tell you, there's a mythology around the company. There's that magic around it for the people that appreciate it. It's a role model. I became what I am because of this company. I get approached by all sorts of people who want mentorship, or even just to talk to me—because of my Aramex legacy. It touches every single individual probably in the region and in many places of the world. That entrepreneurial story is very inspiring. So there was a sense of ownership. Everybody owned Aramex, either by owning the shares, or owning the company as their own. Arabs claimed it.

There were people that were very upset with me when I left as a CEO and even sold my shares. "How can you," they would ask. It wasn't easy. This was not an easy decision. But I also needed to prove that you could build institutions in this region—that CEOs could leave, and founders could leave, and you would still have continuity. We had depth, because I kept preaching over the years—over the ten years since I went public on NASDAQ—that this organization has depth. It's not about me. Because people would always ask me question, "What happens after you?" I'd say, "What happens after me is I have a bunch of fantastic CEOs and managers and leaders in this organization that can pick it up." In reality, I had a choice of three or four people when I wanted to leave. And I purposely, over a three-year period, started preparing several of them. They didn't know where it was going to land. It landed where it landed, with the current

CEO. And if you look at the Aramex results in the past five years, they've been stellar, fantastic.

So what a message—what a fantastic message—to leave and then, instead of saying, “You see, I left and they didn't do well,” you say, “See, I left and they are heroes and superstars.” That's my legacy, if you want—creating leaders that feel a sense of ownership. Even though some of them might have felt betrayal that I sold, companies are not—as much as you call them family and as much as they feel like family—they aren't family. I have my own life. What I leave for my children should not be shares in a company that they didn't have anything to do with, other than experiencing it through me.

I needed to do something else with the remaining years that I had. When you're nearly 60 years old, there isn't too much time for you to do other things. So I'm reinventing myself, and I'm a consummate entrepreneur. You talk about Aramex, but during my years in Aramex, I built many other businesses along the way. So I'm a serial entrepreneur. I'm a CEO.

You know, the beauty of Aramex also was that I was able to move from being an entrepreneur and a founder, to running my business—and I wasn't fired like Steve Jobs. (Laughter) I stayed in the business. I became a manager. I became an organization-builder. That experience is invaluable. It's beautiful. It's a beautiful experience building a business, even though we—you know, I got slapped, punched, and kicked along the way. But if you ask me the question, “Would you have done it again?” I might

sometimes say no. But I'll tell you, "Oh, my God, that experience is—very few people in the world will have the experience I had. It's unique. I'm blessed."

**GJ:** *It's clear you feel passionate about a wider responsibility for the region. Can you talk a little bit—*

**FG:** Yeah, absolutely I feel a wider—look, I feel extremely passionate about the region. That goes back to my family experience—to my father, to the way we grew up, to caring about society, to feeling that we should have a positive impact on society. Then, when Aramex became the organization that it is today, I understood very well the impact it had on society. I started thinking about this very much as it stabilized—even though, in the early days, I thought about it, too. But as Aramex stabilized and became a profitable and powerful brand, and influential in many ways, then I understood the power of the private sector. I understood the power of entrepreneurs, and I understood the power of how we affect society—positively or negatively.

Because Aramex was a positive story, I understood how positively it affected youth, young people who wanted to become entrepreneurs. They took us as their role model. I wasn't building it to become a role model. I was building it to be a stellar organization, a beautiful organization that hires fantastic people that take it to new places. But then I suddenly realized the fantastic attraction it had on people, and then realized the impact on



society. It became the issue of whether the business of business is only business—you know, Milton Friedman and his idea that it's only business. While I adhere to that concept in some ways, I believe that we have to be activists for positive change, specifically in volatile societies—in emerging markets. All emerging markets are volatile one way or another—politically, economically, financially. I don't have to explain to you how volatile the regions are.

So what does the private sector do? What does a successful company do? What does a capable company do when it lives in a society in flux—or possibly in flux? Do we go out and say, “You know, we need to actually be active on the ground to make sure that—for selfish reasons—there is stability on the ground to build a business.” I'm not going to just say, “I'm going to benefit from somebody else's influence on society so that I can build my business, and if it doesn't work, I'll pack my bags and leave.” No. This is our hometown. The youth that are graduating from our colleges are people who we want to employ. Their well-being is connected to our well-being. Society's well-being is connected to our well-being.

That's why you see Aramex extremely active over the years. We changed the face of sports in Jordan in the very early days. We built and operated a basketball club that hired kids from the age of five years old all the way up to winning the national championships in basketball—completely nonprofit until today. It's their 25<sup>th</sup> anniversary today, the Aramex basketball team. It's called Al Riyadi. It changed the face of the game—hiring amateurs—even paying them some wages, hiring them in the

company, these sportsmen. They had a career post-sports. Because you can't make money in sports in amateurism. We changed it. That's what we did in Ruwwad, our community organization. We didn't want to only give money to NGOs and to social entrepreneurs. We wanted to be social entrepreneurs on the ground, helping youth become empowered in marginalized societies.

**GJ:** *So the region has—and Jordan has, specifically—dealt with a range of social problems. Why did you decide to prioritize disadvantaged youth?*

**FG:** For me, the issue of youth is where I felt that I could have the most impact, because youth, entrepreneurship, jobs, employment—this is what I do. Being an entrepreneur and a businessman—somebody who runs a business—you're in the business of hiring people. That's one. So I wanted to do things that I could have impact on—impact meaning direct impact. I needed to feel that I was doing something. And when I say, "I," it's the organization—we were actively doing it.

But also, the biggest challenge in the region—and maybe globally today—is, what do you do with young people who are graduating in droves from universities? They call it, in the region, the youth bulge. Look how derogatory that word is—calling your future generations a bulge, or a challenge, or a problem, rather than thinking of them as an opportunity.

You know, a young society is an opportunity. Europe would kill for a young society. Even China would kill for a young society. Japan has negative growth in its population. We have people that are 50 percent, 60 percent under the age of 25. That's a massive resource. But also, if it doesn't get channeled in the right way—if it doesn't get the opportunities, if it doesn't get the education, if it doesn't get to feel that it's part and parcel of society—it will create havoc in society. That's why you saw the Arab Spring, and that's why you see issues in Iraq today, you see issues in Syria, you see issues in Egypt.

Even in stable countries, governments, the private sector, and the people are worried about the stability of society. It's not only about health care and the problems in health care. At the core of it is the young population that is feeling a sense of despair sometimes because they do not have the opportunities. That's why we focused on youth in marginalized areas, because that's where we're needed most. And the idea of it was to be experiential in everything that we do. We're in the business of character-building.

So as you know, in Ruwwad—which means “entrepreneurs” in Arabic, our organization is called Ruwwad for Development—we say that the private sector, or entrepreneurs, have to be active in society and to be partners with government—partners with the state in developing the areas that they're capable of developing, or are passionate about. In Ruwwad—which, by the way, Ruwwad is in Jordan, Egypt, Lebanon, and Palestine—we give scholarships to universities for people that cannot afford it, in

return for four hours of volunteer work in the society that they live in. We create workshops for them every weekend to discuss and have a serious dialogue about the issues that they confront.

Why? For two reasons. One, we want these people on the margins to feel that they're earning their scholarship. It's not charity. I am giving you the opportunity. I'm paying you to go to school, enabling you to go to school, but you're giving me your time. Time is as valuable as anything—as you know. And in your time, you're actually addressing a challenge in society. So you feel a sense of ownership of the issues in society.

That's what volunteerism is about. It's saying, "Even if the state had forgotten us, if we are living on the margins—this is our home, this is our neighborhood. Do we go and address the challenges of our neighborhood and solve them, or do we sit and complain and say, 'You know, people forgot us, and we have no chances?'" No, go. This builds character. And as an educator, Geoff, you understand how important it is not only to go to class but to build character, to have the soft skills, to have a sense of initiative, to have critical thinking, to work in teams, to address the challenges. That's what we do.

So we tell them, go to university. Do whatever you want to do there. But we are complementing what you don't get in universities today. The education system globally is under challenge, but, specifically in our region, it's a conveyor belt system, as you know. Read the books, take the exams, graduate. Here's your certificate. Congratulations. Bye-bye. The

minute you exit the walls of the university, who cares about what happens to you?

But when you've gone to Ruwwad—and this is me, obviously, with a disclaimer, being the founder—you're going to be a person that has experienced serious dialogue about serious issues. You're going to have volunteered. You're going to have mixed men and women in the same place and felt that work environment. You're going to have met many people of influence in society—they come and give talks in Ruwwad platforms. You're going to have experienced things you don't experience in the class. So you are much more ready for life after education, after school.

We don't claim that we want to change all of society, but we are also believers that there is a certain bunch of people, a few, who are change-makers that can influence the rest of society. And we feel that, the people who are influencers, they must be from society, and in society, and within society. They're not parachuted from outside. They're the sons and daughters of that street, of that neighborhood. When they do things, the neighborhood will listen to them much more than anybody parachuted from outside. There's trust with them. The neighbor trusts his neighbor. When you wake up, you will find your neighbor every day there. The government might not be there when you wake up one morning, but your neighbor will.

**GJ:** *There was another actor in those communities, the Muslim Brotherhood and equivalent organizations. How did they react to what you were trying to do?*

**FG:** You're getting me into politics a little bit, but I don't mind. Yes, there was. Specifically in Jordan, there was the Muslim Brotherhood active on the ground in the community that we first started in Jabal Al Natheef. They clearly didn't like our presence—clearly didn't like our presence. Some religious leaders didn't like our presence on the ground, because we were a different type of an organization, a bit more nonreligious—not a bit more, much more nonreligious. We don't have an ideological message. We made sure we never had an ideological message.

Most of our students were conservative. Most of our girls—I'd say 99 percent of the scholars that are women—have headscarves. We don't care. This is their life. They choose how they want to look. Some of them, you could only see their eyes. That's fine. We didn't discriminate about how you were brought up, or how do you want to look when you come to the institution that we're building. But we said, "When you come to our institution, you're going to be inside a democratic community center. You hear everybody's opinion. You participate. You argue your point scientifically. Men and women are equal. And it's a safe zone."

Their parents sent them to us. Initially, we were fought. They said, "You know, women and men in the same room—it's not acceptable. Society does not accept it." We said, "Well, okay, if you want to do that, you don't have to send your daughters, nor your sons. If you think we are an organization that corrupts the mind, I'm not forcing you. We're offering scholarships here. In return for the scholarships, you have to participate in our society work. If you don't want them, we're not forcing you."

I had a dialogue, eventually, with the lead guy at the Muslim Brotherhood in Jordan who was running their NGO community work, and I clearly said to him, “You can’t fight us because we’re not leaving unless the society tells us. Unless the community tells us, you know, ‘We don’t like you – go.’ It’s their community. I came from outside the community, even though it’s a neighborhood next to where I live. But I’m not from that neighborhood. If they tell me to go, I’ll leave.” And he said, “What are you doing here?” I said, “I’m doing exactly what you’re doing, except I don’t have a religious message. If you do community work, I’m doing community work.”

They found that a bit intimidating for them, because they’re used to playing alone. The Muslim Brotherhood played alone. Their competitor was the government. They filled a gap. People don’t understand—these ideological organizations filled a gap in society. That’s their power, by the way, not necessarily religion. One needs to study that very carefully. They basically came in and provided services when government was failing, and they filled that gap as a “non-profit.”

In that space, we came in and said we didn’t need to compete with them. We were doing our work with youth. We said, “We want to provide a different way.” Like everything else in markets, Geoff, you have to differentiate. Otherwise, why would they come to me? So we bring them another story altogether. And we don’t discourage them to do anything else. We just tell them you need to understand and appreciate diversity, understand and appreciate that there are opinions, understand and

appreciate science and technology, understand and appreciate gender parity. These are big issues in conservative societies—sort of revolutionary in many ways, sort of treading a fine line. But to be fair, eventually we were left alone. Governments didn't mind us.

**GJ:** *Have you found a way to work with Muslim Brotherhood or just separate—*

**FG:** Separate. They do their thing. We do our thing. We cohabitate, if you want. But that's only in that community in Jordan. In Egypt, the community we operate in does not have – you know, there's a big issue with the Muslim Brotherhood in Egypt anyway. But the community we work with in Izbet Khairallah in the heart of the marginalized areas in Cairo, did not have Muslim Brotherhood in it.

In the West Bank, in the Palestinian territories, we were left alone, but that's mostly because the Muslim Brotherhood is much more active politically in the West Bank. So there's Fatah, there's Hamas, there are local groups—but we found an empty space and we plugged ourselves into it. Again, this is our entrepreneurial mind—how do you compete in the marketplace of knowledge and ideas? You need to be differentiated. You can't just offer the same story, because they'll go somewhere else.

And in Lebanon—the most fascinating of our work is in Lebanon, because our community center sits at the heart of sectarian strife. The community center literally sits between Alawites and Sunnis in Tripoli, in



the north of Lebanon. They have historical issues, to be politically correct. We were the only center where half of our kids were from one sect and the other half were in the other sect. And at certain moments, the community center was the only place where they met.

You know what they discovered? That there are very few differences between them. They all sit on the margins. They all feel the state forgot them. They all dislike politicians. So when they talk to each other, they find, you know, “We have a different sect, but everything else is equal.” They work together. When some bombings happened—some terrorist bombings happened in a mosque in Tripoli—we were first responders, because our kids were already used to being volunteers. They ran, no matter what sect that they were, and were first responders on the ground.

And we had to learn new skills, because in our previous community centers, we did not have that sectarian issue. We had different issues. But there it was so obvious—and specifically with the civil war in Syria, because the civil war in Syria is between these two sects, and it got transported into Lebanon. And it had historical issues. We had to understand how to absorb everyone and get everyone to feel safe, to get the mothers and the fathers to feel that their kids were safe in that community center. So it’s fascinating. It initially was an Aramex initiative. Aramex continues to be at the core of their support. But I also do that myself, and I have other private sector people who have participated in financing it and participating in it.

**GJ:** *Can I ask about the founding of Wamda? What was the rationale?*

**FG:** Wamda is a continuation of my Ruwwad work, if you want, in partnership with Abraaj and Arif Naqvi, the founder of Abraaj. We felt that we needed—this is back in 2010—an event to promote entrepreneurship. Abraaj did a massive event called, “The Celebration of Entrepreneurship,” and that was right before the Arab Spring.

We felt that the Internet revolution was starting to become mainstream here. Our youth are coming out of school and the issue of jobs, the issue of employment were both at the forefront of the event. But we wanted to take it beyond marginalized youth, to youth who want to become entrepreneurs. They’re not marginalized—the middle class, the upper-middle class who wanted to have the opportunity to build their own businesses, who saw Aramex as a role model for them, who found Samih Toukan—the founder of Maktoob, the first Internet company of significance in the region—as a role model.

So we did—Abraaj did—a fantastic event that got about 2,500 people from across the region for two, three days of talks and workshops around entrepreneurship here in Dubai. Then, the end result of it was to create a platform called Wamda—and it’s called Wamda.com, you can check it out now—that basically fills the gaps that we’re missing in the entrepreneurial ecosystem. So a community that brings entrepreneurs together, a place where you tell stories about entrepreneurship—because

mainstream media was not interested. They only wanted to talk politics and other stuff that government influences. They were not talking about success stories. We wanted to talk about role models, success stories. We wanted to tell the stories of startups and entrepreneurs. And we wanted to have a place where there could be dialogue about the ecosystem in entrepreneurship and the startup world. That's at the core of it. So that's what we call the Wamda platform.

After that, and after I had left Aramex in 2012, I was also already investing at seed stage and early stage in the technology business startups in the region. The World Bank, through the IFC arm—the private sector financing arm of the World Bank—came to me and said, “You know, you're the biggest technology investor in the region. Why don't you do a VC fund?” I had never thought that I would take other people's money and become a venture capital person, but I was in transition. I thought, “Oh, okay, I'm reinventing myself into becoming a venture capitalist”—which was a natural progression, because I had already invested in about 60 or 70 companies in the digital space across the region, personally. I knew that space. So I felt it was a natural progression, and it gave me a new purpose that fit exactly with what I've always been passionate about—youth, entrepreneurship, startups, technology. That's Wamda and Wamda Capital.

What you see here in my office is Wamda Capital. We have an office in Beirut for Wamda. Part of it is Wamda here. We're also in Jordan. We do mentorship programs. We do work with the government to help them in building their ecosystem for entrepreneurship. So the idea is

investing and enabling—you need to do both here. You need to build the basic infrastructure before potential investors are ripe to be investment-ready.

**GJ:** *You started this conversation with the huge challenges you faced when you started Aramex. What are the challenges now for a young entrepreneur in the region, when much has improved?*

**FG:** Sure. Yeah, thank you for that, Geoff. You reminded me that part of—I think, personally, I owe the youth and society, because I'm inundated with people coming to me every day—literally. I didn't do this purposely, so to speak, but the amount of people who come to me who wanted either investment, or advice, or talk got me to feel that—it got me to feel responsible.

That's how I grew up, anyway, feeling responsible to society. So I feel responsible for the generation that looked like me 35 years ago. How do I become their mentor, their helper? My father helped me tremendously over the years. My partner was my mentor over the years. Who mentors these kids? Who helps them out? Who invests in them? How do you hold their hand? So yeah, it's part of investing in society for good. I don't like the word charity. I don't do charity. Investment—it can fail, but the learning out of it is massive. That's philosophically what I feel is my new purpose in life, which is a continuation. You can say you're reinventing yourself, but the end of the day, you're doing things that you always were

passionate about, but differently, and bringing the skills and the capabilities that I learned over 35 years and making them available to people.

The region has changed a little bit, in some ways, but sometimes I feel so sad that it hasn't in others. So there's maybe more capital to be invested. Maybe there are more mentors, maybe there's more awareness. But there are still legislative and legal impediments that prevent people from building their businesses—for instance, foreign investment laws to allow foreign investment. A Jordanian in Dubai is a foreigner. Dubai allows it because you have free zones. In other countries, you're not allowed to be an investor. You have to own through a local. Why? It doesn't make sense. The region is fragmented. 350 million people, \$2 trillion economy—bigger than the Indian economy—but fragmented. Twenty-two countries—you have to go through different legislation in every single country. It's ridiculous. How are you going to create jobs with limited markets?

So these things I'm vocal about, obviously. I feel it's my responsibility to actually go out and lobby it and do something about it, but also not say, "I'm not going to do anything because the hurdles are there." Instead, I will show people what can be done in gray areas that allow you to bypass these unnecessary hurdles. The region, yeah, has changed in many ways, but its political volatility hasn't, unfortunately.

So I also tell people, "Forget that. Stop complaining about the challenges." That's why we didn't talk much about them, Geoff, because they were there. Okay. We have to live with them, or you pack your backs and exit—and that's part of the reason we have some brain drain out of the

region. Youth pack their bags and leave. If somebody is studying in the US, I don't think he's going to be very excited to come back to the region now, unfortunately. But I want them to come back, because who's going to build this region? Who are we leaving this for? Who are going to be the builders of the future of the region, if not its sons and daughters? You need to create that environment that gets them enticed.

That's the beauty of this city, by the way. This city is a beautiful city, because it allows and it attracts global talent and Arab talent that is not in the region. They come back here. The mix of populations of Dubai—if you look at my own team in Wamda, they're from all over the region—Lebanese, Syrians, Jordanians—living in Dubai and feeling that they're at home.

So we want people to come, and I feel I'm blessed and lucky to have had the experience that I've had, but I need to make it available for society, for others. It's not me alone. You can only change things with institutions. You cannot make these changes as a person. It's always institutional. I'm in the business—if you want to ask me a question—I'm in the business of creating institutions. I'll build them. I'll help build them. I'll build the team. But I will also eventually leave and somebody else continues to build.

**GJ:** *After all your experience, how do you deal with political volatility? Philosophically, you know it's always going to happen and is still happening. Is there some lesson—*

**FG:** The lesson is, number one, you stop watching CNN and Al Jazeera, and you focus on what you do, and you focus on the positive things. Because at the end of the day, look, if your outlook towards life is positive and can-do, you can ignore it. Look at Dubai—you walk down the streets, and nobody's killing anybody. This is a city of building and entrepreneurs, and businesspeople—the government is trying to enable. The same thing in Abu Dhabi, same thing in Saudi Arabia. They have their challenges, but they are global cities now, and they all realize the challenges. So you think, “Okay, how am I going to focus on the positive, not on the negative?”

Number two, you will read the news, but spend only five minutes reading that, just because you need to know what's happening, and then go back and build your business. I'm simplifying, obviously. The Syrian refugee is not going to be happy about what I said, because they're displaced. They're in misery. It's not my fault that they're in misery. What I can do for them to ease their misery is what I can do. I can complain forever that the civil war is a disaster, but how can I channel that energy that I might have into easing their existence outside of their country until they are able to go back to their country? The same thing with people on the margins—it's the same story.

If we feel that there are challenges as a society, then this is an opportunity for us to find solutions rather than complain forever about it or pack our bags and leave. I'm lucky enough and well-to-do enough to actually do something about it, and it's my duty and responsibility, and my pleasure. Obviously, you can see my passion for this. I do this for the sense

of achievement in my own homeland. I am paying my dues in a region that I feel I need to pay my dues—and learning out of it, so there's no illusion here. I benefited from the region. I could go and live anywhere, but I live in the region and I feel this is where my contribution and my impact and my pleasure in existence lies.

**GJ:** *Thank you very much for this wonderful interview. Thank you very much.*

**FG:** Thank you. Thank you, Geoff.