

My concern in writing this paper is to express the realities, positive and negative, of opening and operating a travel agency overseas, especially in a developing country. This is the basic history of Tarfa Tours and Travel of Riyadh, Saudi Arabia, which began in 1978.

The true common thread between Tarfa Tours and Travel and the agency my husband~~I~~ own, Unravel Travel of San Francisco, is him. He is the Executive Director of Tarfa Tours and the President of Unravel Travel. Since 1978, much of his time has been spent in the Kingdom of Saudi Arabia setting up the agency from scratch.

I have been closely involved in the setting up and development of Tarfa Tours as well but, being a woman, I could only participate from afar. In effect, I have been a part of Tarfa Tours and Travel in absentia. No one could have ever been more interested in a company without being on the scene.

AN ARABIAN ADVENTURE

In the spring of 1978, my husband and I had been owners of a San Francisco travel agency, Unravel Travel, Inc., for nine years, and at that time we walked into a business situation that changed and complicated our lives beyond what we could have ever thought possible. We became involved in setting up a travel agency in the Kingdom of Saudi Arabia--my husband, Alden, on the spot and I from afar. This was the first American managed and staffed agency in that exceedingly rich, fascinating, challenging and un*ver*ning nation.

The original intention was for us to participate as co-owners of the Saudi company. Tarfa Tours and Travel was going to be set up as a joint venture with the Crows and two Saudis as partners. However, a joint venture required more complicated steps with the Saudi government than we wanted to take and would have taken much longer to get in motion. Also, a vast amount of capital was required by the government, and we would have been over our heads very quickly.

And so Tarfa Tours and Travel became a wholly-owned Saudi company with my husband assuming the role of Executive Director and I the role of a highly interested advisor and sounding board--mostly in absentia.

Two major things precluded me from not being more directly involved with Tarfa Tours: 1) We still had our San Francisco agency to run and did not want to both be absentee owners and 2) Women are not allowed to engage in business in Saudi Arabia. Women do work in offices--but only illegally. So, at best, if I had been in Saudi, I would have been working in the back room, hidden from view, or at home.

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The plan was to have my husband spend part of his time in Riyadh and part in San Francisco, commuting between the two cities. I was to spend some time in Saudi too to help and to give support. Also, I was so extremely interested in the operation that I wanted to see personally how things were progressing. I wanted very, very much to be a part of the development of Tarfa Tours.

Al spent quite a lot of time in Saudi in both 1978 and 1979. In March, 1979, I was able to be in Riyadh at the time of the office opening. However, in 1980, our plans went awry because my husband was injured and had to have medical attention and therapy for some months in the States. Since he did not spend much time there that year, I did not even attempt to go.

Then, this year (1981) I was shattered to have my application to join Al turned down. No visa. The Saudi government had decided to get tougher on women, even women whose husbands were working there and had resident's visas. So, obviously, most of my involvement has been indeed from afar.

There were several reasons why we wanted to participate in this far-flung (perhaps to some, far-out) venture. The first went back to something that had been drummed into my head over the years: find an unmet need and fill it. It is very hard to find such a need in the travel agency business in a large urban center. We had filled such a need once ten years ago when we started an inbound tour division that offered very specialized tours and events. Here was another need. There was no full-service travel agency in the entire Kingdom of Saudi Arabia. There was no agency with American or even European personnel; the agencies were manned by Third-World nationals, many of whom hardly spoke

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English. All these agents would--or could--do was sell airline tickets. No tours, rail tickets, steamship, car rentals, hotels, sightseeing tours. Only tickets--and mostly just between points A and B. There was none of what our Saudi sponsors called "American expertise" in the travel business in the entire country.

A second reason was perhaps more apparent--financial gain. Not only did we look to gaining from the involvement in Saudi but we anticipated that Unravel Travel would have some kind of benefit as well.

So, our reasons were a combination of the desire to help and the desire to reap some kind of financial gain. There are so few frontiers left in the World and we did feel a pioneering spirit take hold.

After determining how the company was to be set up financially, we had to move rather quickly into making a number of other decisions. The first was to determine who to hire as personnel. As is true anywhere, the backbone of a good company is the staff. And the thrust of Tarfa Tours was after all to provide American expertise in the travel industry in Saudi. We did have to decide whether to only hire Americans. Perhaps we could hire other Westerners, such as English, who were closer to home and came more reasonably. Also, we might want to hire one or two Third World Nationals as back-up staff.

We decided to start with Americans with back-up of maybe a Saudi National and perhaps another Third World National. It is generally very hard to find

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Saudis to work in offices. First off, there are not many Saudis educated to work in offices; secondly, they don't have a work ethic like ours. When they work, it is more in an entrepreneurial way. They like to negotiate deals and they like to make a lot of money quickly.

We developed four sources for the hiring of personnel, the same basic sources we use in San Francisco. These were: word of mouth (always the best), advertising in trade publications, travel personnel bureaus and travel schools. Word of mouth brought us the first employee, who was hired as Manager. We was an old travel acquaintance, who had had many years of experience as Manager of a major travel agency. He had also lived overseas as a foreign service employee and he spoke a number of exotic languages, like Pharsi, Russian and Thai. He was able and willing to make the decision quickly and to move almost at once.

A second employee with good solid experience was located through a travel personnel company in San Francisco. His background in travel was good, but he did not have the overseas experience and language background of the first man. (Interestingly, of all the men eventually hired for Tarfa, he was the one who became truly fluent in Arabic.) He was also eager, interested and able to move quickly.

Hiring for an overseas office, especially for a country like Saudi Arabia, is a far more complicated situation than hiring for a local office. There are a tremendous number of considerations in taking someone to Saudi Arabia. It is very hard for many people to make a commitment for a two-year contract as well as to pick up lock, stock and barrel on rather short notice and move so far.

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The sphere from which we had to hire was limited too. First off, we could only hire males, for, as mentioned previously, women cannot work legally in an office in Saudi. Interestingly, when we took the initial ad out in Travel Age West, we had wanted to use the words "male only" but the magazine would not accept the ad. Consequently, we were flooded with applications from women which was a total waste of time for them and for us. The next time we took the ad, the magazine let us say "male only, according to Saudi law."

Also, we determined to hire only single men as we did not want Tarfa Tours to have the expense of a wife and family. Also, employees could not be Jewish. Later on, it was decided to try to stick with younger men (at least under 35). Preferably, the men would have overseas experience, would be at least bi-lingual and would have traveled rather extensively. On top of all that, we hoped they would have solid travel experience as well.

Very importantly, these potential employees had to be men who could live without liquor, for although liquor can be obtained illegally in Saudi Arabia, it is very dangerous to be caught with it. Not only can the individual be put into jail immediately if caught with liquor, but his company can be in trouble as well.

Also, we wanted non-ethnic men. Someone of Indian, Arab or Oriental background would not do in this instance as the thrust of the company was to introduce Westerners into the Saudi travel field.

Because of the sharing of apartments and because of the rigid rules regarding homosexuality in Saudi (the punishment: beheading), we had to also try to send only straight men. This proved the most difficult and touchy of all.

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It was also important not to have men, as one applicant said, "with a foreign legion approach." In other words, we did not want men who were fleeing something, who were escapists, who had problems that they wanted to leave behind. They had to be people who were pretty sound psychologically. And their health had to be good as well since medical care available to ex-patriots in Saudi Arabia is not necessarily good. Sometimes, as with my husband, it is not even possible to be admitted to a hospital.

Further, we did not want men who might turn out to be exploitative. One man let it be known that if he went over, he wanted to try selling Mercedes to Saudis on the side. He saw a really quick buck and wasn't smart enough to keep it to himself.

These potential employees had to be men who had the ability to be content without a lot of outside activities and distractions. There are no movies, nightclubs, theatres, musical events, and very few television shows--except for Betamax. There are some sporting activities available to ex-pats but not a lot. People have to be able to stay content with get-togethers with friends--without liquor.

Interestingly, it has not been the money that most of the applicants have mentioned first. It has been the experience of a new situation--a new adventure. However, there is no question that one of the main considerations for the men is the monetary advantage.

The men have all been given initially a salary of about \$1,000 per month. Then, on top of this, they have received a food allowance of \$800 per month. If the

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employee does not use this for food, he may keep the remainder, which becomes additional salary in effect. The employee is also given his living quarters and has the use of one of the company cars. On top of this, he is given a round-trip home every year. The Saudi government imposes no income taxes and any U.S. taxes are worked out by the employee himself.

When one thinks of all of these restrictions and limitations, it would seem as if no one would be qualified to go or would want to. However, this has not been the case. From the very beginning, there has been a constant procession of men coming through our offices being interviewed. Most of these applicants have been basically acceptable as well. Most of them were interested in going, even with the constant, unsettling news about the Middle East.

After the decisions about determining employees and conditions of employment, there were other major decisions to make right away.

Establishing the location was the next step. It is very hard to find buildings in Riyadh with available office space. There were several situations where space was supposed to be forthcoming in buildings that were in the process of being constructed, but the buildings didn't get completed. Finally, good space in a ground floor location became available in a location accessible to both business and pleasure travelers.

The space was not large and in 1981, it was determined to expand the agency and open another branch in the city. Magnificent space (marble/mahogany interior) was found in a new shopping center complex in another central Riyadh location. Also, explorations began as to the possibility of opening branches in other areas

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of The Kingdom--in particular, in Yanbu and Jubail, two new communities springing from the desert but with potentially very large populations.

Another major decision was to determine if the company was going to become an IATA agency or a General Sales Agent of one or several carriers. Most of the agencies in Saudi Arabia are GSAs (General Sales Agents); in fact, in 1978, there were only two IATA agencies in Riyadh with its population of one million. The conclusion: go for an IATA appointment.

Although Tarfa Tours became an IATA agency for air, it did become a CSA for Sun Line Cruises out of Athens and Eurailpass. Tarfa became the CSA for not only all of Saudi Arabia but the Arab Emirates as well. These two appointments were good, meaningful ones and set the company in good stead.

Naturally, a number of unique problems emerged with the agency--many quite different from what we experience in the States.

Many of the amenities that exist in agencies in the States don't exist in those in Saudi Arabia. For instance, there are no reservation-system computers. Even the airlines did not have computers at the time Tarfa Tours opened. Everything was manual. Fares had to be constructed from tariffs and tickets had to all be handwritten. Reservations had to be called into the airlines, airline by airline. If an itinerary had five carriers, the ~~five~~ airlines or their GSAs had to each be called. One carrier could not book the entire record.

Airlines are difficult to reach. Phones do not work as well as in the States and there are not enough lines for any business.

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There are no 800 numbers or local numbers to book hotels, ships, trains, tours, cars. Most of these bookings have to be done by telex. In the beginning, Tarfa would telex Unravel for many of these bookings.

Just as it is difficult to reach the carriers by phone, it is difficult to reach clients. Many clients simply come into the agency in person to book their transactions and also return to see how their reservations are coming along. They cannot and do not expect instant confirmations, and they do develop patience.

One of the most severe problems is that everyone residing in the country of Saudi Arabia has to abide by the rules of The Kingdom and these rules are of the Koran--or Moslem laws. The enforcement of these laws has even become more rigid since 1978.

Even though the men are compliant and do not drink or get into other troubles, they can still be thrown into jail for no reason. Guilty first, innocent later. One employee spent his first Christmas in jail because his passport had been stolen and the police thought he had done something wrong. Another time, this same person was put into jail for a brief period for running a stop sign when he was on his way to the airport to meet my husband.

The pace of the day--party dictated by Moslem laws and partly by the weather-- is also different. Office hours are from 8 to 1:00pm and then again from 4-7:00pm although the men do work overtime most days. During the hours that businesses are open, there are usually three interruptions for prayer time. When the salah sounds, all clients must leave the office premises, prayer curtains

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must be closed, and work must cease for twenty minutes.

Transactions like picking up the mail or banking can be tedious in the extreme. No one hurries, everyone crowds, no queses are formed. It is every man for himself with pushes and shoves getting him ahead. One time my husband, on his way to the airport, had to convert cash into a check. The bank opened at 5:00pm. He was the first in and everything was started. Five minutes later prayer time came. Out he and all the customers went for twenty minutes. When he returned, he had lost his place and had to wait for his name to be called.

When you make a business call to a Saudi, tea and coffee are always offered first thing. Pleasantries are exchanged in a most relaxed manner. After awhile, it is permissible to talk business. You cannot rush a business conversation or you might as well not try.

Discounting by other agencies, as occurs in many Third World and Far Eastern countries, is prevalent in Saudi Arabia. Tarfa had to take a stand early on that it would not do so, and, amazingly, lost very little business because of this. There is always this to contend with however.

The politics of the country presented yet another compexity for Americans living in The Kingdom. The mood of the people has changed considerably since the company opened in 1978. There is more hostility, more suspicion, less interest in Americans or Westerners. There exists the tremendous dicotomy of the Saudis: they desperately need Western expertise and Western manpower to put it into action but they are afraid of and suspicioius of the Western influence. They hate to give power and authority to Westerners. They are caught in a vise and so are the Westerners living in their country.

We have also had problems tieing the two companies, Tarfa Tours and Unravel Travel together. It has been hard making the two company's employees realize the importance of each other. Since we are the only travel agency in the United States with such a close affiliation with a Saudi agency, we have felt that Unravel's employees should feel a real pride in this--but it has not been necessarily so.

Also, Unravel has provided tremendous support for Tarfa. Unravel has hired almost all of Tarfa's employees. It set up Tarfa with manuals, brochures, books, tariffs, etc., in the beginning and has provided a constant supply of such. It has served as a booking agent and as a springboard for many of Tarfa's acitivities, such as the setting up of the GSAs. Yet, Tarfa employees seem to loose sight of all of this and don't feel any sense of loyalty to Unravel.

On the other hand, there are many unique pluses to being in business in the travel agency field in Saudi Arabia. The greatest pleasure probably is that you as a competent travel agent are needed, wanted and appreciated. Competition does not exist for a good agency in Saudi Arabia. It is the total opposite of the situation faced by an urban travel agency in the States.

Clients are cooperative, loyal and thankful to a degree unknown in the States--again, in an urban area.

One difference with the States is that many customers pay with cash--hard cash. Not many credit cards are used. In the beginning, Tarfa Tours had only limited accounts receivable but as commercial business developed, extending credit to

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Accounts receivable then proceeded to get up to a figure of around half a million U. S. dollars in no time. One problem with extending credit to a Saudi company or Saudi individual is that it almost causes a lose of face to ask for payment. The travel of Saudis is big money too--with one transaction often in the neighborhood of \$40,000-\$50,000.

A great help for a company functioning in Saudi is that there are no such things as payroll taxes or even reporting of wages to the government. Every paycheck is simply given in the gross amount. There are no corporate or individual income taxes. A tremendous amount of time is saved in not having to keep records for the government or for individual employees.

Most of Tarfa's business is for ex-patriots and most of these people get six weeks vacation a year. Clients know well in advance when they are going to travel and make plans without lots of changes. Their trips are to very exotic locales--such places as Sri Lanka, Seychelles, Kenya, Cyprus being routine. Many of the ex-pats leave during the Holy times of Ramadan, the month of fasting, and during Haj, when pilgrims journey to Mecca from all over the world. During these times business almost comes to a halt even for foreign companies.

Although the Moslem rules are stringent, the country is quite free of crime. Punishments are so severe that people do abide by the laws of not stealing, raping, murdering, etc. Beheadings are still done and the time for these is Friday. If one is in the vicinity of the public square at noon on Friday, he is made to watch the beheadings or cutting off of hands and feet--a good deterrent.

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Tarfa Tours is prospering and growing much faster than almost any agency could ever hope for in the States. However, it does require a tremendous outlay of energy from my husband--and from me. It is hard to divide yourself between two countries and two companies. It is hard to function in a foreign land. It is hard in particular to be in Saudi Arabia now.

There has been a tremendous satisfaction in seeing the development of this company in an alien land, and now we feel the time has come to pull out of Tarfa Tours and Saudi Arabia. So, Tarfa Tours is up for sale with several very good prospects interested in purchasing what is still the only American managed and operated and staffed agency in the Kingdom of Saudi Arabia.