

PE-AK PLAYER

As one of the Grand Fathers of Private Equity in the region, chartered accountant Imtiaz Hydari's career journey has taken a fair amount of twists and turns characterised by wars and crises, bulls and bears and everything else a challenging job in the Middle East brings with it...

Imtiaz Hydari, Chairman,
Rasmala Investment Bank



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“WORKING IN Saudi Arabia was an amazing experience. I brushed shoulders with danger at least once... towards the end of the Gulf war when a scud exploded close to where I was and there was always the feeling that these missiles being fired indiscriminately could hit anything - but I had a lucky escape,” says Imtiaz Hydari, Chairman of Rasmala Investments.

As one of the Grand Fathers of Private Equity (PE) in the region, Imtiaz's career has been awash with interesting experiences as he has been through his fair share of bulls, bears, wars, crises, and everything else a challenging career in the Middle East brings with it.

Imtiaz was one of the key architects of the famous Inchcape deal; a 150 million US dollar acquisition which eventually led to the founding of the now famous private equity house, Abraaj Capital.

High street finance

How did he rise to the top of an industry most executives can only dream of while salivating over the thoughts of high street finance acquisitions and value creating mega-mergers?

It all started when he decided to become an ICAEW Chartered Accountant.

“In high school I was a keen sportsman. I played cricket for my school and my college, I got good grades but was not the top of the class. For me my mind was on life beyond academics,” says Imtiaz.

Deep down inside he knew there was something big waiting for him but was not sure what it was.

The standard at the time was to follow in your father's footsteps which in Imtiaz's case,

would have meant becoming an engineer. His undergraduate degree was in Physics and Mathematics, not business, but things changed when one of his friends at the time said “you know there is this thing called a Chartered Accountancy, where you apprentice and you start your course with actual work experience. So, while you study you work and actually get paid!”

Mentorship is very important

The thought of getting paid to study was music to his ears and there lied the seed of a career path that would witness his ascent to become the CEO of one of the most powerful business houses in the Kingdom of Saudi Arabia, The Olayan Group.

“Becoming an ICAEW chartered account is a tough path and you need a lot of energy and passion to get through the intense training and studying required but when all is said and done, it gives you the right skill set if you want to be in business,” he says.

“When I started my career I was not sure where things would lead, but my father encouraged me to trust my instincts and even to this day I am a big believer in ‘trusting one’s gut’. Of course you have to temper this with good analysis and sound strategy, but the bed rock of any decision I make is rooted in my gut feel.”

Good fortune smiled on Imtiaz as he started his career, as he was given the opportunity to article under one of the main partners for Ferguson & Company in Pakistan. After six months his senior partner suggested he should go and finish his Chartered Accountancy in London. Advice that was well received as Imtiaz did just that.

“Mentorship is very important. Everyone has capabilities beyond what they can imagine and clearly having a good mentor is critical to realising your potential. I think people should seek a mentor early in their career.” says Imtiaz.

Brilliant career decision

After becoming an ICAEW Chartered Accountant Imtiaz’s career started to take shape. Following a brief stint in industry and commerce in the UK, “I was headhunted to Saudi Arabia, and this was before the oil price jumped in the early 70s so Saudi was nothing back then, but my instinct told me



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this was the opportunity I was looking for,” the executive says.

Little did Imtiaz know he was joining the now iconic Olayan Group. Working for the legendary entrepreneur and founder of the group - Sheikh Suliman Olayan - would prove to be a brilliant career decision and a catalyst to his professional development.

Sheikh Suliman was not always a Sheikh, he had humble beginnings; starting out as a mere translator for Saudi Aramco, the gargantuan oil company and jewel in the crown of the Kingdom’s economy.

Aramco was building its infrastructure at the time and Suliman Olayan’s boss at the oil company suggested he provides light logistics support in exchange for a small contract. He asked his boss to allow him to resign as he wanted to focus on the trucking business full time. Reluctantly his resignation was accepted and Sheikh Suliman went into business full time.

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subsidiary, and eventually I was fortunate enough to be trusted with the position of president of the entire operating group. It was a journey which took 22 and a half long years, not an overnight thing.”

“Success in my humble opinion, in any shape or form comes over a period of time. It comes as a result of honing your skills and having an open mind that you are ready to learn,” says Imtiaz.

“This was a fascinating time and each day was a new learning experience interacting with colleagues from different social and professional backgrounds, from JV partners of multi-national firms and friends from the local community.”

Spread his wings and fly

Sometime during this period, Imtiaz also worked closely with a man by the name of Arif Naqvi at Olayan Group. The two men would later join hands to found Abraaj Capital as well as execute some of the legendary private equity transactions such as the de-listing of Aramex from the New York Stock Exchange.

From 1973 to 1995 Imtiaz worked with the Olayan Group, the last five years as Group President and Chief Executive Officer and after over 20 years he decided it was time to spread his wings and fly on his own.

He went back to London to pursue Consulting and Business Advisory activities. It was during his time in London that he was introduced to the FTSE 250 company Inchcape initially to help identify an automotive acquisition opportunity in the Middle east which led to his involvement in the divestment of Inchcape’s Middle East business.

Acting for the ‘Buy’ side, Imtiaz teamed up with his friend and former colleague Arif Naqvi

Cut above the pack

From one truck and meagre earnings, the Olayan Group has grown into one of the largest business conglomerates in the GCC and now competes on the global stage with Fortune 500 companies.

“The Olayan Group pioneered the region’s first JVs with Fortune 500 companies; The founder was a cut above the pack and a clear game changer for the way business was done in the Kingdom of Saudi Arabia. The example of this remarkable person reminds me of a quote by Steve Jobs when he said “Only people who are crazy enough to think they can change the world are the ones who actually do,” he adds.

Imtiaz joined the company in its infancy and not only had front row seats to the vertical ascent of the Olayan Group, but also played an active part in its success.

“I started initially as an internal auditor, and then moved up to finance manager of its largest

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under the banner of Cupola to acquire the \$600 million turn over business which included brands such as Nestle, Reckitt & Colman, SmithKline Beecham, Spinneys, and many other business units.

Dreams went up in smoke

Raising \$150 million was no small task but the Imtiaz and Arif team was excited by the challenge. How the landmark acquisition was completed with a mere \$3 million in equity has been the subject of much discussion and often rumour mongering in business circles.

“We had pipe dreams of building up the business and then IPO’ing it on the local stock exchange, but those dreams went up in smoke pretty much immediately after we purchased the business,” he recalls.

“Having never done anything like this before, we did not anticipate that the biggest challenge was not raising the money, it would be managing our local partners. I think in hindsight the local regional partners were in shock when they were told that Inchcape, a FTSE 250 company which was founded in 1847 was no longer involved in the business and ‘a company called Cupola owned by Pakistanis’ were their new partners,” he says with a chuckle.

“They reacted to this perhaps with some moral justification and did not let us manage the business as per our legal rights. We were literally up against giants, some of the most powerful local businessmen in the region. A melee of discussions, legal proceedings and intense negotiations ensued and in the end I think we made even more money than our original plan allotted for.”

Blessing in disguise

It took Imtiaz and Arif four years to settle the disagreements with their local partners but in

the end a series of concessions were made and various pieces of the business were sold off to various individuals which netted Cupola more profits than it would have if they sold it all together; a true blessing in disguise.

The deal would coin the two as the Grand Fathers of Private Equity in the Middle East. The transaction was such a roller coaster ride that a book about the deal is being released in June this year, authored of course by Imtiaz himself.

It is a story peppered with cameo appearances by the who’s who of the region, the next leg of the journey sees Imtiaz and Arif team up with Ali al Shihabi, founder and then CEO of Rasmala Private Equity, but soon after, there was an amicable separation and the split from Rasmala led to the founding of Abraaj Capital.

“We conceived the idea and plans for private equity in Al Moosa Tower 1 on Sheik Zayed road and later moved to Emirates Towers when we

joined hands with Ali Shihabi and Rasmala. It was 2002 and Dubai was nothing what it is today and no one could have predicted what a wild ride we were in for,” he narrates.

“After completing the Inchcape transaction we were introduced to Fadi Ghandour, the founder of Aramex which was the first Arab company to list on the NASDAQ in New York. In reality though, it did not make sense to be listed in the USA and so we went on to help him de-list the company, add value and then re-list it on the local stock exchange. I must say getting the chance to work briefly with a visionary like Fadi was exciting.”

Odd twist of fate

By 2004 Imtiaz was ready for a new challenge and seeing as his son had just completed his MBA it seemed like a great opportunity to start his own firm and mentor him in the art of private equity. Imtiaz founded HBG Holdings and in an odd twist of fate, HBG

took a major position in European Islamic Investment Bank, which in 2012 acquired Rasmala Investment Bank; bringing Imtiaz almost full circle to where he is now the Chairman of Rasmala.

“I have been very fortunate and have had fun at every moment in my career. Who would have known what life had in store for me when I first decided to become an ICAEW Chartered Accountant?”

“I have to be very thankful because as you know no-one accomplishes anything by themselves. I have had the chance to work with some of the most iconic businessmen in the region; as well the teams supporting me were of the highest calibre. I think to be successful you need the three Ps, passion, perseverance, and positivity. If you combine those three things, you develop the right attitude which leads to success.”

The best is yet to come

When asked about his take on leadership, Imtiaz says, “In my humble opinion, to lead you need to have courage. Over the past three decades I have faced all kinds of challenges and most of them very unique. As an example, during the Gulf War, everyone was understandably nervous. There was fighting in our backyard and many people were concerned about coming to work particularly in the Eastern Province. I made a point of driving around to all the businesses, and made myself very visible, working on the front lines, on the shop floors. You have to lead from the front when you are in a crisis. I think that makes a big difference and also funds your empathy for your team.”

“By and large you need to show your team respect and demonstrate that you believe in them, in my experience people respond to this type of approach. Bring the best out in your people and that is the only way you can succeed as a leader. Finally you have to keep your feet on the ground and don’t let humility become a stranger, because without your team you are nothing.”

“No one can climb Mount Everest alone, everyone plays a critical role in getting you there and you need to appreciate that. Personally I feel very lucky and want to thank everyone who has worked with me over the years, and of course those of you who are yet to work with me as well because I am sure the best is yet to come.” ■

