Multiplying Impact

Jordan’s technology sector has the potential to significantly reduce the country’s high unemployment rate and utilize its strong human capital base. While Jordan has seen sustained GDP growth over the past 15 years, it has not experienced a similar rise in job creation. However, with Jordan’s ICT sector now worth at least $2.2 billion—having grown from $560 million in 2000— it is poised to play a major role in capitalizing on the abilities of the country’s knowledge workers.

Historically, the success of Jordan’s tech sector has been fueled by individual entrepreneurs who mentor and reinvest in others. Examples of these entrepreneurs include Fadi Ghandour of Aramex and Karim Kawar of Kawar Group. Their support has proven invaluable to the growth of the sector.

Patterns of mentorship and reinvestment have accelerated the growth of other successful tech sectors, including Silicon Valley. More than 2,000 companies can now be traced back to a single Silicon Valley firm whose founders mentored and invested in others, in addition to supporting employees who created new businesses. The intellectual, social, and financial capital that successful founders reinvested into new companies strengthened the local entrepreneurship community.

In Jordan, a new generation of tech entrepreneurs has emerged and is continuing to reinvest their success into other founders in the community. This group of high-impact entrepreneurs includes Samih Toukan, Hussam Khoury, Ramzi Halaby, Zafer Younis, Ennis Rimawi, Majied Qasem and Imad Malhas. The personal stories of these entrepreneurs highlight the important role they have played in the development of Jordan’s tech sector, building on the foundation created by previous entrepreneurs.

Entrepreneurs build bigger and better businesses when they are able to engage with a support network. This pattern of ambition, growth, commitment, and reinvestment, known as the “Entrepreneurship Acceleration Cycle,” has been observed in successful entrepreneurship communities around the world. Businesses, organizations, and policy makers in Jordan can support this cycle at each stage in order to further the growth of Jordan’s tech sector.
Section 1: Jordan’s technology sector has the potential to significantly reduce the country’s high unemployment rate and utilize its strong human capital base.

Jordan has experienced positive economic growth in the last 15 years, averaging over 5%, with the World Bank forecasting GDP growth rates of 3.1% and 3.5% for 2014 and 2015 respectively. However, the country has not been able to create sufficient jobs to reduce the high unemployment rate, which remains at 12%—jobs to reduce the high unemployment rate, which the country has not been able to create sufficient skilled jobs are taken by migrant workers. A large proportion of more widely available lower underemployed, or have emigrated. Meanwhile, a labor force. As such, many Jordanians are inactive, educated appropriate for Jordan’s increasingly well-developed sectors, and the majority of private sector jobs went to foreign (mainly low-skill) workers. Not only does the reliance on the public sector for job creation fail to address systemic problems, it is now untenable in the context of the current fiscal challenges. The need to reduce government expenditure requires a significant shift of labor from public sector to private sector.

The tech sector offers a promising solution to the country’s employment challenges. Jordan’s economy is home to abundant human capital resources that are ripe for utilization. The economy’s human capital base is one of the most competitive in the region. Secondary school enrollment stands at nearly 90%, with over 88,000 engineers, not to mention a substantial high-skill diaspora population, estimated at around 500,000.

In order to utilize this human capital, however, it is imperative that industries seek to capitalize on the Jordanian economy’s regional comparative advantage in ICT services, technical innovation and management talent. Jordan’s tech sector has demonstrated that it is in an excellent position to do this, particularly in servicing the consumer markets and supply chains of resource-abundant GCC economies (for the purpose of this study, we define tech companies as companies that are either actively developing new technology, or those that are significantly web-enabled). Progress in building the tech sector in Jordan has been substantial so far. According to a recent joint study of the Ministry of Information and Communications Technology and the Information and Communications Technology Association of Jordan (Int@j), Jordan’s ICT sector, which was worth $560 million in 2000, has grown into a $2.2 billion industry. However, it should be noted that Telecom revenues account for 71.8% of this figure. Multiple sources in the policy community, including entrepreneur and former ICT Minister Marwan Juma, have projected that ICT’s contribution to GDP will grow from its current share of 12% to at least 20% of GDP in the next 10 years, with huge potential for contribution to other key sectors, such as healthcare and pharmaceuticals.

This growth represents an unprecedented success story: in the context of continual economic challenges and heavy reliance on foreign aid, the economy has successfully produced a fast-growing, internationally competitive industry. If the industry continues moving on the same trajectory, it promises to provide Jordan with sustainable economic growth, and importantly, new high-skill jobs for Jordanians. As reported by the United Nations Conference on Trade and Development, ICT sector growth is not limited to playing a key role in creating high-productivity jobs in the sector and ICT-using industries (direct jobs). In addition, overall gains in productivity in the sector will enable wider job creation: through indirect jobs (created by suppliers and distributors) and induced jobs (resulting from employees spending more). Though the sector itself may not satisfy the entirety of Jordan’s unemployment woes, it may serve as a long-run enabler of wider growth and job creation.

With the accession of King Abdullah II to the throne in 1999, Jordan gained a champion for the development of its tech sector as a means to rapid economic and social development. Upon taking office, the King called upon the private sector to develop a plan to drive the development of the sector, under the coordination of Int@j. This initiative was successful in drawing private sector actors into a Public-Private Partnership with the Ministry of ICT in the policy making process. The ‘REACH Initiative’ and two five year National ICT Strategies, which are in the process of being fully implemented, showcase the public-private effort to define the vision and goals for a growing ICT sector.

“Paradoxically, because of the mismatch in labor market and skill jobs for Jordanians.”

Samer Alhous, Director of Economic and Social Affairs Directorate, The Royal Hashemite Court

Jordan’s technology sector has the potential to significantly reduce the country’s high unemployment rate and utilize its strong human capital base.
Section 2: Historically, the success of Jordan’s tech sector has been fueled by individual entrepreneurs who mentor and reinvest in others.

While Jordan has benefited from the Government’s support, the real success of the tech sector has come from a small group of dedicated entrepreneurs. Examples of these entrepreneurs include Fadi Ghandour of Aramex and Karim Kawar of Kawar Group. The contributions of these two influential founders have proven invaluable in the growth of the sector.

Fadi Ghandour

In 1982, Fadi Ghandour founded Aramex, a regional shipping and logistics company which in just 15 years grew to become the first Middle Eastern company listed on the NASDAQ stock exchange. Five years later the company delisted, relisting again on the Dubai Financial Market in 2005. Aramex now employs more than 13,900 employees in over 354 locations across 60 countries – with strategic alliances providing a worldwide presence.

However, Fadi’s influence in the tech sector extends far beyond his company. He has served as a role model, mentor and investor to countless other entrepreneurs. He is committed to extensive private relationships with younger businesses, eager to offer in-depth advice as well as social and financial capital. Ghandour played a pivotal role in supporting the development of two of the Middle East’s most successful tech companies, Souq.com and Maktoob (see page 11). In addition, he has leveraged his success to create institutions and funds that act as trailblazers for entrepreneurship empowerment. These include MENA Venture Investments, a seed capital investment company focused on early-stage tech that has already invested in over 40 companies regionally, and Wamda, an entrepreneurship empowerment platform that makes use of research, capital and support programs to help grow young companies. Ghandour also founded Ruwwad, a non-profit community empowerment organization. He was also one of the founding board members of Endeavor Jordan, was instrumental in establishing Endeavor UAE, and is currently a board member of Endeavor Global.

H.E. Karim Kawar

In 1987, H.E. Karim Kawar founded the Ideal Group, which evolved to include 10 companies working in information technology services. Kawar is now President of the Kawar Group, which owns 15 companies operating in the ICT, clean tech, pharmaceutical, and healthcare sectors, amongst others. He also founded several of the companies that became part of Optimiza, a leading publicly-listed ICT Systems Integrator, where he sits as Vice Chairman. Since 2008, he has chaired Kawar Energy, which has been actively developing clean technology solutions in Jordan. The company is also a pioneer in the country’s budding solar power industry.

Kawar’s impact on the tech ecosystem has been multiplied by his commitment to developing younger companies while building a more robust tech landscape in Amman. In the late 1990s, he advised King Abdullah II on a number of financial and technical issues. He was the chief architect of the REACH Initiative, Jordan’s first national information technology strategy, and co-founded both the accelerator Oasis500, and Int@j, positioning him as the cornerstone of public-private partnerships in the tech sector. Kawar remains committed to mentoring and investing widely in new ventures in the tech sector, and has recently acted as a key supporter of MarkaVIP, an online shopping hub that now employs 350 people**, as well as IrisGuard (see 2D).
Section 3: Patterns of mentorship and reinvestment have accelerated the growth of other successful tech sectors, including Silicon Valley.

Silicon Valley in California is the textbook example of a high-impact tech ecosystem. Endeavor Insight recently conducted a study into the creation of the tech industry in the San Francisco Bay Area, examining how the world famous tech hub emerged in what appeared to be one of the most unlikely parts of the USA.

While the San Francisco Bay Area is now a thriving tech hub, it was a very different place in the mid-1950s. At that time, the region lacked what are now considered essential components of a successful ecosystem: markets, talent, and venture capital. However, in 1957, eight entrepreneurs decided to do something that seemed inadvisable. They launched a technology company called Fairchild Semiconductor in a small town south of San Francisco.

The entrepreneurs leveraged their professional networks in their home cities to find two key supporters who helped them raise capital and sign contracts with their first customer. These connections set them on the path to success. After just three years, Fairchild's annual revenues were over $20 million. By the mid-1960s, the group was generating $90 million in annual sales. Yet this was only the beginning of the co-founders' accomplishments.

As Fairchild grew, employees began to leave the firm to launch new spin-off businesses. Many of these firms also grew quickly, inspiring other employees still working at the company. The eight co-founders supported a number of these new businesses, and it wasn't long before the entrepreneurs at Fairchild began to create their own spin-off firms. The eight co-founders also reinvested their capital into a number of new local startups. The growth of these new companies started to reshape the region. In just 12 years, the co-founders and former employees of Fairchild generated more than 30 spin-off companies and funded many more.

The story of Fairchild illustrates how entrepreneurs can reshape their local communities. When successful founders generate new spin-off companies, mentor others, and act as early-stage investors, they increase the opportunities available to successive generations of entrepreneurs. The intellectual, social, and financial capital that successful founders reinvest into new companies strengthens the local entrepreneurship community and enables successful hubs, like the original Silicon Valley, to develop. It should also be noted that the long-term sustainability of the ecosystem was supported by both a high quality of life and by Stanford University, a world-leading research university that has provided a healthy R&D and labor market environment as the ecosystem has developed.

Following is a network map documenting the significance of the serial entrepreneurs and their former employees in Silicon Valley’s early development:

![THE CREATION OF SILICON VALLEY: GROWTH OF THE LOCAL COMPUTER CHIP INDUSTRY](image)

Fairchild generated 31 spinoff firms in just 12 years.
Section 4: In Jordan, a new generation of tech entrepreneurs has emerged and is continuing to reinvest their success into other founders in the community.

Following the successes of Ghandour and Kawar, Amman has witnessed the development of a new generation of high-impact entrepreneurs. The personal stories of the entrepreneurs detailed in this report demonstrate the organic growth of a high-impact entrepreneurship ecosystem in Amman: entrepreneurs are succeeding in growing and scaling their companies, winning large market share, creating jobs, and expanding the economy’s productive potential. Their prolific mentorship, investment, and serial entrepreneurship activities are producing localized ecosystems, each of which contribute to an ever-developing tech sector network.

There are five types of connections that these entrepreneurs create and maintain that allow for the development of the ecosystem:

1. Serial Entrepreneurship
2. Investing in other firms
3. Mentoring other entrepreneurs
4. Inspiring others to become entrepreneurs
5. Former employees setting up new companies

The following are four case studies demonstrating the emergence of a new generation of Amman’s tech ecosystem:

Maktoob

Hussam Khoury & Samih Toukan

In the mid-1990’s two young Jordanians named Samih Toukan and Hussam Khoury decided to follow the examples set by Ghandour and Kawar and become entrepreneurs. Their first venture was a business-consulting firm called Business Optimization Consultants.

After building their consulting business, Toukan and his partner decided to start a new firm called “Maktoob”, which offered the first Arabic-language email service using an on-screen keyboard. Ghandour played an important role supporting Toukan’s work. In the words of Toukan, “he stated early that he believed in us, he was an investor and mentor when there was no ecosystem.”

Maktoob went on to become one of the most successful internet technology companies in the region. As its user base grew, the company expanded its services to include a great diversity of content. Maktoob was also distinguished by its focus on strategy: the company weathered the dot-com bust of the early 2000s by conserving cash, and focusing on long-term growth.

The company took a number of innovative approaches. Finding that new recruits joining the company needed extensive training, Maktoob trained its employees internally on the job, creating its own “corporate university”. In order to hold on to their human assets, Khoury and Toukan offered stock options to employees. “There was no culture of this at the time”, Toukan explains. “We insisted that employees would have an exit… many of them made a lot of money.” Yahoo! acquired Maktoob for $164 million in August 2009.

Having become a success, Toukan asked himself how he could help other entrepreneurs. In addition to privately investing in Zaytouneh, an online Arabic cooking hub, and Khodarji, a grocery delivery firm, Toukan and his partner created Jabbar Internet Group, which has since invested in 15 companies. One of their most successful new ventures is Souq.com, an e-commerce site that features over 400,000 products. At its inception, Fadi Ghandour played a key supportive role, offering Aramex delivery infrastructure to help get the idea off the ground. The site, tipped for an exit in the coming three years, attracts over 23 million visits per month.

Toukan has also committed much of his time to mentoring younger entrepreneurs across the region, both in his official capacity with Jabbar and as an Endeavor mentor, and also informally, regardless of whether he has invested in the company in question. He is keen to share his experiences and to help entrepreneurs reflect on how they can overcome obstacles in the best possible way. He is also quick to use his network to connect entrepreneurs with those who can help them. As one entrepreneur remarks, “Samih would get on the phone, and he would make things happen for me, whether it was to connect me with an investor or a potential partner... his name carries weight.”

A keen follower of the tech industry’s continued development, Toukan remains modest, always keen to learn. “Every company is unique, I am always learning from younger companies”, he laughs, “when mentoring, you help entrepreneurs overcome obstacles the fast way... however you never stop learning, whether it’s something new, or seeing things you have experienced in a new light”.

“The Maktoob journey was a long one: 10 years. It took a long time to build a company. If Fadi wasn’t there, perhaps it would have taken longer...”

Samih Toukan
Sitting down with Khayyat to talk through big business decisions – whether it is investing, hiring, or expanding operations, “Samih always thinks outside of the box and challenges strategic directions”, he remarks, “I learned from Samih to explore options and go in the direction you believe is the right one. Take decisions and focus on getting the right results… sometimes results don’t come out the way you hoped for; don’t waste your time, redirect your ship.”

The Online Project
Ramzi Halaby & Zafer Younis

Inspired by the long-running success of Aramex, and excited by the emerging success of Maktoob, Ramzi Halaby and Zafer Younis were ambitious graduates with a vision to become successful entrepreneurs. From a young age the pair had dreamed of building companies, and were initially focused on starting a radio business: at the young age of 16, Younis had boldly stepped into the office of Jordan’s ICT Minister to request a radio license. Though the minister couldn’t grant his wish, by the time the pair had graduated from university, the public policy landscape had begun to change in Jordan, allowing them to gain a license in 2004.

In October 2004, the entrepreneurs launched Play 99.6. The English language station was a remarkable success becoming the leading station for Jordan’s young 15 to 30-year-old demographic. It quickly attracted advertisers, and in 2007 was awarded the US National Association of Broadcasters’ International Broadcasting Excellence Award. Fadi Ghandour invested in the radio station as it emerged as a key player in the industry.

Having won over the Jordanian radio market, Halaby and Younis struggled to enter other Middle Eastern radio markets. While participating in the Endeavor selection process, the entrepreneurs were forced to consider difficult questions about scaling the company. Though they were not initially selected as Endeavor Entrepreneurs, Halaby notes that, “it was a very beneficial moment for us; it was the constructive criticism we needed.”

By 2009, inspired by Maktoob’s successful exit, Halaby and Younis felt it was time to develop a new business model. The pair realised that their own use of social networks for their radio station could be similarly implemented by other businesses, and thus The Online Project was born.

The Online Project’s first client was Zain, a regional telecom giant, who contracted the new company for a small social media development project. Initial contracts were not lucrative, but The Online Project quickly gained traction. Halaby and Younis soon agreed to set up a stand at the Arabnet Digital Summit in exchange for free radio sponsorship.

The pair also received interest from Microsoft and Nestle, which eventually developed into contracts for regional social media development.

With the mentorship of Fadi Ghandour and Ali Al-Husry (Founder of Capital Bank and DASH Ventures, and Chairman of Endeavor Jordan), the entrepreneurs successfully grew The Online Project. Confident in their growing success, the new company applied to Endeavor again. This time, the partners were selected as Endeavor Entrepreneurs and formal mentoring began. Again they were forced to confront hard questions from seasoned entrepreneurs. With the new venture in full swing, scaling was high on the agenda.

Under the guidance of their new mentors the company began to overcome growth hurdles. Prior to their relationship with Endeavor, Halaby and Younis were not fully aware of the concept of business mentorship. However, working with Husry and Ghandour proved to be an eye-opening experience. The company now maintains over 40 clients, including Mercedes Benz Daimler, IKEA, Nestle, and Nawras Telecom.

“Entrepreneurship is a journey; one has to commit to the process of continuous learning and growing regardless of numerous setbacks”

Ramzi Halaby

Nibras.com

Ammar Khayyat was first introduced to Samih Toukan in Summer 2007, shortly before being hired as Maktoob’s Chief Finance Officer. In 2010, after a successful 20-year finance career, Khayyat decided to start his own company as a means to developing the concept of ‘continued professional education’ across the Arab world. He was also keen to expand his success, “for so long I had been helping to run successful businesses of others; I wanted to do it for myself.” As soon as Khayyat told Toukan his idea—an online Arabic hub for professional training services—Toukan expressed an interest in investing, and has been company chairman and CEO ever since the company’s creation. Nibras.com, which produces high-quality video tutorials on professional skills, now has 18 employees. The company has recently gained investments from Maktoob and Nestle, which eventually developed into contracts for regional social media development.
As The Online Project gained traction, Halaby and Younis started mentoring people themselves. It was only when an employee left The Online Project to start her own business that the pair realized their potential as mentors. As Younis explains: “We had been through the same pains that she was facing and it felt good to help others avoid making our mistakes.”

Since the creation of The Online Project, Halaby and Younis have mentored over 15 entrepreneurs. When they mentor, they focus on a handful of individuals, meeting regularly and making themselves available, in order to add maximum value. The pair have also thought carefully about how they can use their resources to support new companies. They currently offer free radio advertising campaigns to interested startups. If a campaign is successful, they provide a further one, again for free. Thirty companies have now taken part in the scheme.

On several occasions, former employees have left the company to start competing agencies. Halaby and Younis are glad to help them. “As long as they are transparent about their intentions to start their own business we do not mind”, he explains, “... actually, we send them business.”

Halaby and Younis recently sold their radio station, and they now aspire to become investors not just in Jordan, but in the wider region and beyond. In 10 years, they have transformed from aspiring entrepreneurs to celebrated businessmen, eager to pass on their experience and expertise. Moreover, the Play FM exit has provided the entrepreneurs with capital to expand their impact as investors.

**Multiplying Impact**

**i3zif.com: Bisher Abu-Taleb**

Having worked for a series of IT companies and radio stations, Bisher Abu-Taleb wanted to combine his interests in music, technology and education. He developed the idea of creating an online hub for Arabic music tuition with Ayham Hammad, an old friend. While working in radio advertising, Abu-Taleb heard Zafer Younis’ name come up often, though their paths had not yet crossed. It was only when i3zif.com, Abu-Taleb’s and Hammad’s new company, was given a chance to develop at a Oasis500 bootcamp that Abu-Taleb was connected to Younis for mentorship. A “great friendship” developed between the entrepreneurs after the bootcamp, and Younis began working through hard questions with him. “Rather than lecturing me,” Bisher notes, “Zafer thought things through with him. He made me feel comfortable.” Younis also arranged free training for the entrepreneurs by staff at The Online Project at a time when cashflow was limited.

Within two months of i3zif.com’s incorporation, Abu-Taleb and Hammad had attracted the attention of Fadi Ghandour. Overwhelmed with excitement, Abu-Taleb got on the phone to Younis, who sat down with the two men for over three hours to develop investment documents, leading to a successful round of funding. Since 2012, the company has developed over 900 online Arabic-language music courses, with a user-base spanning across 44 countries. The company holds contracts with 15 public schools in Jordan, and is currently expanding to 100 schools.

**3Dmena.com: Loay Malahmeh**

Loay Malahmeh started working as a content developer for The Online Project in 2010. There, he often consulted with Younis regarding startup ideas of his own. “Zafer was interested in his employees; he was welcoming and personal, and he got me to focus my ideas” he remarks, “time was precious... I would prepare well for each 20 minutes I would have with him”. Malahmeh’s first enterprise, tickytacky.me, an e-commerce gift store, was the product of a year of hard, uncompensated work. Having bootstrapped and avoided losing equity, the company scaled to the UAE. However, it soon became clear that marketing costs were stifling the company’s ability to continue expanding across markets. It was time to change the business model. Luckily for Malahmeh, he had a great support system in Younis, who helped the budding entrepreneur refine his ideas.

After changing the company into a more profitable B2B corporate-gifts service, Malahmeh co-founded his second venture: 3Dmena.com. Utilizing cutting-edge 3D printing technology, the new site will offer an online marketplace and community for the development and sale of custom products. Malahmeh is currently working with 15 designers to develop and test a diverse selection of design templates. The flexibility that 3D printing offers opens the possibility for consumers to have a more substantial say in product customization. Since the start, Younis has offered office space to Malahmeh, and the pair are continually communicating. Malahmeh has already started mentoring younger entrepreneurs informally, and sees himself as a future investor. “Friendship is essential if you want to make it,” he smiles, “and you learn more when you start mentoring.”
ONE WORLD Solutions

Ennis Rimawi & Majied Qasem

As Jordan’s tech sector has grown and become more successful, new entrepreneurs that were not initially connected to founders like Ghandour and Kawar have joined the industry and also started reinvesting their success. One of the best examples of this is found in the partners behind ONE WORLD Software Solutions.

Having studied and worked in the US, Ennis Rimawi decided to build a software development operation in Jordan as part of a uniquely successful IT company focused on the US market. During the 1990s tech boom, Rimawi had wondered why no one in Jordan was claiming a stake in the US IT value chain; creating companies that offered high-level fixed-price premium programming for US software firms. With a conviction that technology-based industries are the economic future for Jordan and the region, Rimawi left an executive position at Ford Motor Company, and founded ONE WORLD Solutions in 1997.

Inspired by both the cost advantage of Indian firms and the premium services of top US firms, Rimawi created a company that would combine the strengths of both. This would leverage the “sweet spot of Jordan’s competitive advantage,” offering premium software product development at a reasonable price. In 1998 Rimawi formally recruited Majied Qasem as a partner and the General Manager of the Jordan operation. Qasem was a savvy entrepreneur who had previously co-founded Arabia Online, one of the region’s first internet firms, and had already helped Ennis informally, guiding the software team during meetings in hotel lobbies before the company set up offices.

ONE WORLD Solutions quickly became successful. The new company’s pitch was well-received by US software firms requiring software product development capacity. ONE WORLD offered “premium fixed-price software product development services, with a lower price tag than the ‘sexy’ US specialists.” The firm quickly flourished: between 1997 and 2000 the company grew to 350 employees, including 70 employees in both the US and China. Not only was it creating jobs, it was also attracting high-skilled diaspora back to Jordan. The company held the same technical and project management expertise as top US services companies, however it offered its services for a fraction of the price. With a client base including Thompson Financial and a software venture acquired by Microsoft, ONE WORLD was on the path to a US public listing within several years. Rimawi states that in ONE WORLD’s last investment round before the collapse of the technology bubble in the early 2000s, the company had raised $15M, primarily from US-based institutional investors, valuing the company at $65M post money.

Though the technology crash and events of 9/11 brought difficulties to the company, the entrepreneurs consistently innovated, and developed their business model to focus on regional clients, including governments and corporations. The spin-off of ONE WORLD Jordan then merged with Zeine Technologies, another Jordanian software engineering firm, and the combined company was rebranded as Estarta Solutions, with an investment from Microsoft in parallel. Shortly after in 2004, the firm received investment from Cisco systems.

Following ONE WORLD Jordan’s merger, Rimawi and Qasem have consistently founded, mentored, and invested in companies. Having played a key role in forming Estarta, Qasem felt that it was time to move on. The lessons that both he and Rimawi had learned were clear: though they had rescued the Jordan operation from significant challenges, perhaps if they had received the right mentorship, the company could have become a top 10 international IT firm.

Now with experience under his belt, Qasem was ready to start multiplying his impact on his ecosystem, as a serial entrepreneur, mentor and investor. Since leaving ONE WORLD, Qasem has founded RazorView, a boutique strategy advisory firm, and d1g.com, a rich-media social network for the Arab world. He has also directed the Jordan Education Initiative, a World Economic Forum Public-Private Initiative that aims to improve education in Jordan through effective use of ICT, while simultaneously building local ICT capacity. In the last 10 years, Qasem has invested in numerous companies, and has plans to develop a more formal role as an investor and mentor in the tech sector. “A lot of people with money just invest their money in land and property, knowing they will get a safe return,” he comments. However, when asked why he doesn’t follow suit, he smiles: “Investing in these companies is fun! Doing it at this time puts you at the forefront of the industry… and despite the challenges around us, I’m bullish about where it is going. Opportunities are huge, and the payback for backing the right entrepreneur with the right business idea is significant.”

Though he is happy to share casual advice, Qasem is committed to focusing on a small group of entrepreneurs whom he can invest his time and money in heavily. When selecting entrepreneurs to support, he seeks out individuals who are open-minded and keen to learn. Meanwhile, Rimawi remained the CEO of Estarta until it was profitable in 2004, and then moved on in 2006 to turn “visions
into reality” in other sectors, while maintaining a board position in Estarta. Ennis wanted to apply his entrepreneurial visions for the ICT space to other areas (namely energy and water), when he founded Catalyst Private Equity in 2006. Catalyst is the Arab region’s first venture capital/private equity fund focused on investing in and building the region’s strategic energy and water technology sectors. Ennis has also privately invested in several startups outside the energy/water sectors including Jeeran, an online regional platform, where he offers regular guidance.

Between them, Rimawi and Qasem have founded, mentored or invested in 23 companies, in addition to multiple entrepreneurs that they have inevitably inspired along the way. They remain committed to living and working in Jordan, insisting that the future is bright for entrepreneurs who are dedicated to overcoming obstacles to growth. “It’s not a coincidence that tech companies have grown here,” Qasem comments, “the ecosystem is developing, and it is producing real success”.

After a brief stint in the pharmaceutical industry, Jalil Allabadi had a business idea while studying for an MBA in the USA. His father, a doctor, had recently completed an Arabic medical dictionary, and he was keen to help market the book. Having developed a strategy with some classmates, he realized that the book, which was the first Arabic-Arabic and Arabic-English dictionary of its kind, had huge online potential. Upon returning to Jordan, Allabadi discovered that there was a significant knowledge gap between medical experts and the average Arabic-speaker, and that a more comprehensive medical portal may receive significant demand in the marketplace. Altibbi was born.

The site, which receives revenue through membership and advertising, has grown to include multiple services, including audio-visual services, doctor/patient Q&A, and a user-friendly symptom checker. However, developing a comprehensive website that receives over 4.5 million hits a month was no easy feat, and Allabadi made use of the technical expertise of his mentor, Majied Qasem, in its development. Executive level technical insight can be exceptionally difficult to access in Amman so his advice has proved invaluable. Connected through Endeavor, Allabadi started meeting Qasem once a quarter to ask technical advice. “Majied talked me through complex web design, advised me on how to address risk management issues, and continually coached me on how to create more efficient infrastructure”, he explains. As their relationship has developed, Qasem has also been active in connecting Allabadi to other key figures in the industry.

“’When I work with a young entrepreneur who has an open mind, there is an opportunity to create real value.’”

Majied Qasem
Imad Malhas already had a successful career as an entrepreneur when he partnered with Karim Kawar to found a new company in the late 1990s. Malhas’ new venture would seek to produce a new, competitive, high-tech service for the global market. Always intrigued by biometric technology, he closely followed the evolution of iris-scanning technology, which offers a low-risk method of identity verification. An algorithm for iris measurement was developed in 1994, and four years later it was time, Malhas believed, to create a company that could utilize and develop the technology, IrisGuard was born.

After two years of product development, the company offered a free 18-month iris scanning pilot program to the United Arab Emirates Border Authority in 2001. Though this was a gamble, it was clear that the company needed to demonstrate the quality of its services to a significant potential client. The program was completed with flawless results, leading to a major contract.

Since establishing IrisGuard as a major player in the biometrics industry, Malhas has started mentoring a new generation of companies.

Through Oasis500, Malhas has provided substantial mentorship to several companies since 2009. One company, Zaytouneh, an online Arabic cooking hub, came into contact with Malhas at a critical time: both Fadi Ghandour and Samih Toukan were seeking to invest, and Malhas talked the founder through how to successfully negotiate terms. An excellent networker, Malhas is also keen to help entrepreneurs think through their business model. “To mentor is to listen,” he explains, “you avoid directly telling the entrepreneur what to do, and you help them realize answers themselves.” Often, in his experience, entrepreneurs realize that the questions they are asking aren’t the right ones. Concern related to the company’s image and valuation can move the focus away from increasing profits. Experienced mentors can help shift the entrepreneur’s focus onto what investors are ultimately interested in – the company’s ability to generate profits. “The younger generation is better than us,” he observes, “like a newly-improved version two. However, my generation must give guidance on what it means to build a company that adds value.” The younger generation are ready to listen, he asserts, and entrepreneurs like him must help guide their development. “This is where mentorship comes in.”

Having staked a large portion of his wealth on IrisGuard, Malhas also invested in Wheels Express, an online ordering and delivery service that he mentored. Though that company subsequently wound down, he remains resolute despite not receiving a return. He is critical of the current investment climate, believing that the ecosystem needs “more risk-taking investors”. Though he has weathered numerous setbacks in the form of economic downturns and the development of substantial international competition, he remains committed to the long-term growth of companies. He encourages younger entrepreneurs to focus on the sustainability of their business model, innovating in tough times: “You should never have one event kill you,” he says, “longevity is key.”

“We need to see more cash and more investors who are willing to take the risk of losing.”

Imad Malhas
Section 5: The process of building a high-impact tech ecosystem occurs through a four-step cycle: ambition, growth, commitment, and reinvestment.

There is a clear pattern in the stories of entrepreneurs like Toukan, Younis, Qasem and Malhas: entrepreneurs build bigger and better businesses when they are able to engage with a support network.

This pattern has been observed in many other successful entrepreneurship communities around the world. Endeavor refers to this process as the “Entrepreneurship Acceleration Cycle.” It is comprised of four steps:

**Step One: Ambition**

The cycle begins when entrepreneurs seek to build large, scalable businesses in their local communities. To do this, they must have a strong desire to grow and a preference for living in the local area. When Fadi Ghandour started Aramex he knew that he was building a modern company in a less-than-ideal environment. His commitment to Jordan remained strong, however, and he knew that overcoming local and regional hurdles would lead to big wins. Since then, fortunately, new programs and organizations have been created to support ambitious entrepreneurs and fast-growing companies, and the continual development of these supporting institutions will rapidly impact the ability of individuals to build successful companies in Amman.

**Step Two: Growth**

The second step of the cycle occurs when ambitious founders achieve significant growth at their companies. This requires them to have access to talent, financing, and customers. With their practical knowledge and experience, Toukan and Khoury had plenty of talent between the two of them. Meanwhile, Ghandour offered the pair the financial and motivational support they needed to make Maktoob a success.

**Step Three: Commitment**

The third step of the cycle requires successful founders to have the desire to stay in the local area and share their resources with the next generation of entrepreneurs. Instead of leaving Jordan following their exit of ONEWORLD Solutions, Ennis and Majied chose to stay in Amman, establish new ventures and commit to supporting new companies.

**Step Four: Reinvestment**

The final step of the cycle occurs when founders of successful companies reinvest in other entrepreneurs and businesses. These actions help a new generation of ambitious companies to capitalize on previous success. Companies like i3zif.com and 3Dmena.com wouldn’t be where they are today without the social investment and mentorship on the part of Halaby and Younis.
There are specific steps that local leaders can take to support the Entrepreneurship Acceleration cycle at each stage:

**Step One: Ambition**

Celebrating and showcasing success stories will inspire young people to start and grow companies. Many of the stakeholders we interviewed for this report cited a conservative culture of risk aversion that prevents young people from taking chances, however many young entrepreneurs are observing a cultural shift. To encourage and successfully harness the cultural shift, business, media, support organizations, and policy makers must celebrate and publicize the stories of successful entrepreneurs. This will inspire and excite fresh young talent to start new businesses, being aware that risks can lead to huge payoffs. Publicity may develop publishing more entrepreneurs’ stories and inviting entrepreneurs to share their experiences with media outlets, government audiences, and high school and university students. It is also important that that aspiring entrepreneurs hear a diversity of stories, related to successes, failures and turnarounds.

Local leaders have developed an important awareness of the role of ‘startups’ as a means to tackling unemployment. However, it is entrepreneurial growth, past the start up phase - which we distinguish as the “scale-up” phase - where the conversation needs to refocus. Scale-ups - companies, which may take up to 15-20 years to become successful, that are run by growth-driven leaders who continuously innovate in order to grow and expand their businesses - are disproportionately higher drivers of jobs, growth, value and sustainability. Stakeholders - policy makers, academia, business leaders, and support organizations - must provide scale-up entrepreneurs with the necessary resources for long-term entrepreneurship and innovation - including access to capital, mentorship, local talent pool and social capital - which in turn leads to sustainable growth and continual job creation. It is important that entrepreneurs know that they have options; that there is a strong availability of partners that may help them grow companies.

**Step Two: Growth**

Once entrepreneurs form a technology company, stakeholders must act quickly to dramatically increase chances of success. Firstly, they must develop channels to connect successful entrepreneurs with aspiring entrepreneurs to provide mentorship and investment. Oasis500 and Endeavor Jordan have already developed programs to connect startups and scale-ups with successful entrepreneurs. However, these programs must be promoted and further developed to continue utilizing the wealth of expertise and capital available.

Despite Jordan’s strong regional reputation for its education system and high-skilled workers, concerns remain among members of the business and public policy communities regarding the current state of educational institutions, particularly in higher education. Employers consistently highlight the reality that bright, young graduates do not have industry-relevant skills. The private sector, therefore, remains burdened to seek out more experienced employees or to provide more training for fresh graduates. Majed Qasem believes that students prove themselves because of their own initiative, in spite of low-quality instruction: “Good students don't depend on their university,” he says. The education sector can bolster the tech industry’s ability to utilize human capital by producing industry-relevant syllabi and investing in high value-added teaching and technical training. Examples of this can include collaboration between companies and academics to agree on teaching needs, and the expansion of formal internship, year-in-industry, and apprenticeship programs.

Public-private partnerships can radically increase the tech sector’s potential for sustainable growth. This collaborative work between private sector and government stakeholders has the potential to develop initiatives and events to attract outside investors to Jordan. The government can also reassure potential investors and clients by offering loan and contract guarantees to qualified fast-growing firms.

Creating specialist job fairs and job boards focused on tech companies can also grant young entrepreneurs access to fresh talent while raising awareness of the exciting career opportunities that new companies offer.

**Step Three: Commitment**

For a successful tech entrepreneur to become high-impact, (s)he must be aware of his or her potential impact on the sector. As with Step One, the entrepreneur must be familiar with the stories of entrepreneurs who reinvested their resources in the next generation. While publications and media channels help, personal relationships have the potential to cultivate mutual encouragement and dialogue about their experiences. Organizations, therefore, should host events for experienced entrepreneurs to hear success stories from other successful entrepreneurs who have reinvested in the new generation and better understand channels by which the next generation can likewise connect and reinvest.

As entrepreneurs become successful, Amman must remain an attractive place to live and continue to invest. Therefore, investment must be made in Amman more generally so that individuals may enjoy a high quality of life with necessary security and enjoyable amenities. This will not happen overnight, and requires long-term commitment from both the public and private sector. The government must dedicate itself to long-term investment in infrastructure, healthcare and education, the maintenance of security, and the continual development of human rights and legal institutions. The private sector should work with the public sector to continuously enhance Amman’s standard of living - income, employment opportunities, affordable housing as well as quality and availability of goods and services, Omar Satt, Managing Director at DASH Ventures, puts it this way: “In order to recruit top talent, you need a quality of life and standard of living that attracts and retains quality employees; a city needs culture, good weather, decent income, safety, and so on.” Thankfully, the fast-changing nature of Amman places it in an excellent position to adapt, as he explains: “What makes Amman an ideal startup hub is that the city itself is somewhat of a startup, redefining itself at the turn of the century to become the Arab World’s center for ICT.”

Successful entrepreneurs must feel confident that the public policy landscape will remain informed and ready to reinvest in young entrepreneurs. Despite promising signs from the government, policymaking in Jordan’s ICT sector remains inconsistent, hindering tech companies’ ability to grow. Regular change in government has produced a near-constant flow of ICT ministers, some of whom have shown a limited understanding of how best to engage with the private sector. One public policy figure described the lack of private sector experience in bureaucratic circles as “the greatest challenge the sector faces.” Whatever the causes, the triangular relationship between the private sector, government, and the King’s administration has lacked continuity. And while the sector can develop without ideal support, a cohesive government strategy that develops a comprehensive and consistent policy framework will increase the confidence and ability of entrepreneurs to attract investors to grow companies. Stakeholders must continue to espouse the need for developing a business friendly environment for technology clusters to thrive.

**Step Four: Reinvestment**

**Tax incentives can also encourage the growth of the investment community. However, these are only useful in the context of stability, which is critical to calming potential investors’ nerves. From both a security and legislative perspective, it is vital that investors perceive consistency in the government’s status and direction. When working in an already high-risk industry, it is imperative that extra-market forces do not supplement risks. In the words of H.E. Samer Asfour of the Royal Court: “Though tax exemptions will help, they [investors] just want stability.”\[vii\]”

\[vii\]”
Acknowledgements

This report was produced by Jonathan Peters of Endeavor Jordan.

Endeavor Jordan would like to thank Rhett Morris, Director of Endeavor Insight, for his considerable support in developing and editing the report. Many thanks are also due to the project’s steering group: Emile Cubeisy, Managing Partner of Silicon Badia, Omar Hamarneh, CEO of El Hassan Science City, Omar Sati, Director of DASH Ventures, and Majed Sifri, CEO of Optimiza.

Endeavor Jordan would also like to thank the following individuals for their support, without which the report would not have been possible:

Name

Bisher Abu-Taleb
Ali Al-Husry
Jalil Allabadi
Samer Asfour
Radu Giosan
Rayan Ghosheh
Ramzi Halaby
Rana Ibrahim
H.E. Marwan Juna
H.E. Karim Kawar
Ammar Khayyat
Loay Malahmeh
Imad Malhas
Ahmed Moor
Omar Razzaz
Mia Rifai
Ennis Rimawi
Nasser Saleh
Abd Shamlawi
Hagop Taminian
Samih Toukan
Jamil Wyne
Zafer Younis
H.E. Dr. Fawaz Zu’bi

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Pennsylvania State University
Endeavor Jordan
The Online Project
Princeton University
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3dmena.com
IrisGuard
liwwa.com
King Abdullah II Fund for Development
Endeavor Insight
Estarta
Madfoo3at.com
Int@j
Silicon Badia
Jabbar Internet Group
Wambar Research Lab
The Online Project
Accelerator Technology Holdings

End Notes

vii. Interview with Omar Razzaz, Chair of the Board of Trustees, King Abdullah Fund for Development
xi. Interview and Ministry of Information and Communications Technology, September 2014, ‘ICT and ITES Industry Statistics and Yearbook 2013’
xii. Ibid.
xvii. Endeavor Insight is the research arm of Endeavor Global, see http://www.ecosysteminsights.org/
xviii. Interview with Samer Asfour, Director of Economic and Social Affairs Directorate, Royal Hashemite Court

Our gratitude to Talal Abu-Ghazaleh Organization for translating this report
Endeavor is leading the global high-impact entrepreneurship movement to catalyze long-term economic growth. Since 1997 Endeavor has been selecting, mentoring and accelerating the best high-impact entrepreneurs around the world.

Through the guidance that Endeavor offers, entrepreneurs can tangibly impact their communities, generate new job opportunities, bolster their countries’ national wealth, inspire others to innovate, and contribute to private sector development. Endeavor now supports 990 high-impact entrepreneurs from 629 companies in 21 emerging and growth markets who created over 400,000 jobs and generated over $6.8 billion in revenues in 2013.

Endeavor launched its operations in Jordan in 2009 and is leading the way in supporting high-impact entrepreneurship. Today, Endeavor Jordan supports 21 Endeavor Entrepreneurs representing 15 companies from varying industries that have generated over $135 million in revenues in 2014 and created over 2000 jobs. Endeavor continues to search for more high-impact Jordanian entrepreneurs to support through its local and international networks.