

Amjad Ahmad: You're listening to leading voices shaping Middle East business and economy. I'm Amjad Ahmed and this is EmpowerMe Conversations. Let's jump in. Hi, everyone, and thanks for joining us. If you know Warby Parker in the US, Lenskart in India or Mister Spex in Europe, then you should get to know Eyewa. Today's EmpowerMe Conversation is with the dynamic duo behind the company; the leading online eyewear specialist in the Middle East. Hi Anass, hi Mehdi, how are you?

Anass Boumediene: Hi Amjad thanks so much for having us.

Amjad Ahmad: My pleasure.

Mehdi Oudghiri: Thanks for having us.

Amjad Ahmad: I wanted to get started by getting to know you guys a bit and your background. You are doing well working for Bain. You got to know each other and then you said, let's give up this big salary and try to do entrepreneurship. What made you do that?

Anass Boumediene: We always wanted to contribute and to make something happen and create something, and as you know when you're an adviser working for Bain, that's great. I could get a lot of exposure and you solve big problems and you have direct access to decision makers. You can actually have an impact and that's great. But you're not building something from scratch. You're not solving a problem yourself. I can give a recommendation and then you hope that other people are going to implement it. And that's something that at least was in my mind very early on, that I wanted to get to explore the other side once you come up with a recommendation and get to implement it. And the best way of doing that is to start a company because you get to decide on everything and you see the impact directly of all your decisions.

Amjad Ahmad: So in other words, you hated your boss and you wanted to be the boss and you guys are serial entrepreneurs and your first venture was in food delivery. Correct. So why don't you tell us a little bit about that?

Mehdi Oudghiri: Sure, actually Anass and I were working together. We were actually working on the same project in Saudi Arabia and by pure chance; we both got approached by Rockets Internets as they were looking for two people to manage their online food delivery starting in the Middle East. So we both went separately through the interview process and by pure chance, they ended up hiring the both of us. So that was amazing because not only we got the opportunity to finally work in a startup, but we also had the chance to do it together. So that's how our adventure in the tech world started. So we joined Foodpanda in the region. Globally, the Foodpanda group had raised over 350 million dollars. So it was a very well-funded startup.

Amjad Ahmad: Sorry to interrupt Mehdi, what year?

Mehdi Oudghiri: This was in 2015.

Amjad Ahmad: Okay.

Mehdi Oudghiri: And so when we joined them, the Middle East was a very small region for the group. The group was present in over 40 countries, focusing mostly on Asia. But what happened from there was just incredible and I think the region was ready for this kind of

services. We have a very young population, very high Internet penetration, good purchasing power and there was just no real good offering when it comes to online food delivery at the time. So Anass and I took over the business. He was still in the region for the group and within two years and a half we saw a tremendous growth. We scaled the business to a team of over 450 people. The Internet penetration for online food delivery skyrocketed in the region after the growth of Foodpanda. We made a few acquisitions in the region; HungerStation in Saudi, Otlob in Egypt, 24h.ae in the UAE as well.

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So then we continued developing the business in the region until end of 2016, when the entire Foodpanda group got acquired by the Delivery Hero. Delivery Hero was like this super large online delivery player based out of Germany, they're now publicly listed. And at the time of the acquisition, Anass and I just felt we've taken this business from nothing, scaled it significantly, made it the dominant player in the region, made the region the largest market for the group globally and so we believe now is the right time for us to take everything we've learned and do something of our own.

Amjad Ahmad: Just to stay with the Foodpanda company for a bit, what do you think was it about that time that made it very unique to have this growth, what was happening in Saudi? I think it'd be interesting for listeners to know what the dynamic was in 2015 in Saudi Arabia.

Anass Boumediene: I'm not sure if it's all this specific to 2015, but basically in Saudi like we have a very young population, very high Smartphone penetration, practically 100% of the Internet penetration and we have like a consumer base that really to make purchases online. They're all young. They know about e-commerce and they're happy to move into our line. The challenge was on the supply side. There was no app that was acting as an aggregator for the food delivery companies and no one was offering the service. So the first one actually we started was Otlob back in 2009. But they did this with really very little resources. I think the global competition in the food delivery space started around 2013, 2014 and this is when you had like a few apps that started as well in Saudi. One was the big HungerStation, the company that we ended up acquiring and this is where we saw that leapfrog effect. We didn't see like the traditional year on year growth of 20%, 50% that you see in ecommerce and in other markets. We were growing like in hundreds of percentage points every year. So it was really like super quick. But in the space of two years, Mehdi and myself were leading the business. We moved from doing like a thousand orders a day to doing more than 50000 orders a day and right now it...

Amjad Ahmad: Was the consumer sort of ready for this kind of offering. Is that what you're saying, that the demand was already there, it's just a matter of providing that service?

Anass Boumediene: Absolutely. And I think we had to do a little bit of education for the consumers in a logistics shift, their habits that's from calling the restaurant and ordering into like ordering some from the app. But the consumers were very receptive. Like the audience is really like to try on new tools, to try a new way of consuming, and that's what we saw. The adoption rate was super-fast and today the penetration of food delivery via apps in Saudi is much higher than it is in the US or in Europe as the per capita usage is super high.

Amjad Ahmad: And I believe the profitability is better, correct?

Anass Oudghiri: Yeah, the Saudi business was quite profitable for us as the basket size is quite high when you compare it to other markets in the region, for example, compared to Egypt, we're talking about four to five times the basket size. And then you have a lot of the frequency of purchasing food is quite high in Saudi in terms of the cultural habits like buying food outside is something that is more common in Saudi than other markets. People prefer to go out and eat or like to order food in rather than cooking the food. So that's a market that was really ready from that angle as well.

Amjad Ahmad: Interesting, and...

Mehdi Oudghiri: I think, just to add to that...

Amjad Ahmad: Yeah, please.

Mehdi Oudghiri: So just to add to that, an interesting anecdote, if you look at online food delivery globally, your typical customer is a young single man that is living alone. But actually in Saudi Arabia for a very long time, our biggest customers were mothers that were ordering food for their entire families. I think that that's really a big difference when you compare Saudi to other markets and that's what also explains much higher basket size and much more frequent orders.

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Because mothers, a lot of them now are getting into the workforce. They don't have time to cook for their families and so they order for the entire families multiple times in the same week.

Amjad Ahmad: That's very interesting. So in my private equity days, we did a transaction and in the restaurant space and we actually hired Bain to do the due diligence, and I remember this...

Anass Boumediene: That was the first intake.

Amjad Ahmad: Yes, we were getting you guys. So it was not a great project. There was a great statistic and actually turned out to be correct, which was that the average Saudi family this was in the mid-2000s was going out once a month and that the trend was going towards once a week and even multiple times a week, and that actually played out during our investment, which was super interesting. So the habits actually changed. I think one of the things was that there was just much more supply and what I would say good supply in the market of restaurants that people can go out to and spend their money and have a good time. So it's a very interesting market dynamic. I want to get to Eyewa now. You've done this great sort of scaling of this business and then you said, well, we would like to do something more where we have more ownership, more control. Tell us a little bit about why you sort of chose this space in particular and what's been happening since then?

Anass Boumediene: So basically, after Foodpanda got acquired by the Delivery Hero, Mehdi and I decided that we're going to transition out and start something of our own, but we also had the luxury of time because of that exit. So we spent about six months studying what would be the right opportunity for us. What we did is that we put back our consultant hat. We looked at the universe of opportunities. We listed more than 87 ideas, like what's missing from the region? What are the pain points that we see that we'd like to solve?

What's working elsewhere, like in China and India and US and in Europe and so on and then we listed 15 criteria of what's important for us. It was very analytical approach.

We wanted to do something that can add value to society and we solve a real problem for people. We wanted to work with smart people. We wanted something that's not very capex heavy and that can get to profitability relatively quickly. We didn't want to go into a journey of fundraising for 10, 20 years and so on and so forth. And at the end of this exercise, we realized that the right opportunity for us would be in the eyewear space and then from there, like we decided to start by being 100% e-commerce and by focusing on the online sales, but with the plan from day one that will eventually go into offline as well. So for the last three years, we've been operating in e-commerce and today we're a team of about 120. Our team members are coming from 40 different nationalities, but mostly based out of Dubai and Jubail in Saudi. We are focused mostly on UAE and Saudi and what we sell are four types of products, sunglasses, eyeglasses, color contact lenses and clear contact lenses.

Three years since our launch, we are now working on also launching our first offline store, which we're doing in about two weeks' time. So this is what's really keeping us busy the over the last few weeks and we're very excited about what we have accomplished so far and what remains ahead of us.

Amjad Ahmad: So help us understand the ecosystem that you were operating in when you started Eyewa. I'd like to hear a little bit about sort of the capital raising. How do you feel about that process and what happened in your case? And also a little bit on the talent side, how was it building that team so far?

Anass Boumediene: So on the fundraising side, our journey was not typical in the sense that we had a little bit of capital Mehdi and myself that we were able to put into the startup from day one. But very quickly, we reached out to other Angel Investors, people that we have had the chance to work with one way or another in the region and it was relatively easy for us to bring together like an initial funding of about a million dollars, which we use it as a seed round. And at that time, we only had one institution that joined the round, but it was mostly comprised of Angel Investors and business people that we worked with directly or indirectly over the last few years. So that process took us about two months; it was relatively quickly.

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I think that's an advantage in the region and I think that raising the seed round is relatively easy and that's not the same when it comes to the later rounds. So, like when we moved into our Series A and our subsequent round, it becomes a little bit more difficult to fundraise from the region. We were looking for larger ticket size. On your second question on talent, so what we did, Mehdi and I when we started is, we knew that the first 10 hires are going to have a lot of impact on our success. So we spent a lot of time interviewing and aligning with the first 10 hires. Just to give you an idea, our first hire was Elias, he's our COO and he's with us till today. He joined us very early on. We only had, like our business plan and a deck. We didn't have like a website and didn't have any operations. Elias actually used to work with us in Bain. We actually worked in the same team a few years back, Mehdi, Elias and myself; and even though we knew each other, we worked with each other, we still had, if I remember correctly, like six or seven interviews just to align on what is it that we're trying to

build and making sure that he understands what he's getting himself into to make sure that we're on the same page.

Then when we started hiring additional team members, we always had a very group way of dealing with hiring where everybody had to interview all the new hires and we had to have consistent hiring, I believe, is the right way of saying that. Basically we wanted, if anybody has any doubts on a new hire, we will not proceed with that hire as we wanted to make sure that...

Amjad Ahmad: Was that a way for you to maintain the culture? Was that sort of the concern?

Anass Boumediene: Absolutely, even before deciding that we're going to build something around eyewear, we already had a very clear understanding of what is the culture of that company that we wanted to build. So prior to that exercise, it took us six months of defining what would be the right opportunity. Mehdi and I spent two weeks working on the cultural aspects. Like what is it that matters to us? What is it that we want to build and how is it going to look like? The logic of it is that we spend like 8, 10, and 12 hours working every day and we want that work to be fun, to be enjoyable, to be something that we're proud of. It's not only about moving rocks from one to the other. It's about having an impact and feeling good about it and doing it in the right environment with people that enjoy and where you enjoy the company. So absolutely, we spend a lot of time finding the right people that fit with the culture that we're trying to build.

Amjad Ahmad: So Mehdi, let me ask you today, given your journey so far, when you look at the ecosystem of building a company, what would you say has been the most significant challenge? Is it capital? Is it laws and regulations? Is it talent? What would you say have been the most significant challenges?

Mehdi Oudghiri: I would say on the funding part, things have improved significantly in the last three years. I think there's been a lot more interest into startups than it was like when we started and I think as Anass mentioned, we were lucky given our background. But I know from the ecosystem that it was a lot tougher for a lot of other people. But now, especially in the early rounds, there's a lot more appetite from investors in the region. I would say talent is a big challenge and it continues to be. The reason is there's been a big shift and startups in the region have grown and appetite for startups has grown, which means that there were a lot of startup that were launched recently. Then you have the incumbents that are all starting their digitalization process and that means that there was a sudden surge in demand for tech talent, digital marketing talent and this talent in the region is very scarce. I think there a lot of talent that is coming from around the world to the region, but it remains very limited compared to the needs that most tech companies have today.

Amjad Ahmad: Right and what I'm hearing from you is that;

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It tends to be exported talent rather than local talent. So as two people who really care about the community and developing the community going forward, what do you think it will take to cultivate more local talent long term? What do you think is missing today?

Anass Boumediene: I think the answer depends on the country. I think that if you look at Saudi Arabia, for example, it's easier to hire a local talent. Most of our team members in Saudi are Saudis and we have a majority of women working with us in our Saudi offices. So in that market, there has been a lot of change really over the last 10 years and you can't find easily highly educated people that are hungry and want to be ambitious and want to achieve things that are willing to learn. It's harder to find people that come with experience that are local or when you find them, they're very expensive. So that remains a challenge in Saudi. In the UAE, the situation is a bit different because even in Saudi the first employer is the government. But here, I'm not sure that the Emirati population is looking at startup as an interesting career option, at least not as much as in Saudi.

Amjad Ahmad: That's a regional issue, actually, when you look at the data, the inclination or the intention to be an entrepreneur is actually low. So what do you think is going to change that? Partly what you're doing changes that because success stories, of course, help that. What else do you think it's going to take? Is it education? What is it?

Anass Boumediene: I think there is a cultural change that needs to happen as well, like on top of the ecosystem has to improve. But culturally, I think that entrepreneurship represents a lot, for many of us at the risk of failure that we have to get comfortable with, and I think in our cultures, it's not easy to accept failure as part of the process. So I think the success stories are great and they help people to get inspired, but I think that to push people to entrepreneurship, we have to be more comfortable with failures that things can go wrong and that's fine. You just try the next thing and you pick yourself up and move forward and that's something that that's still missing from our region.

Amjad Ahmad: Yeah, I know, I couldn't agree with you more. We seem to have an issue with failure and in venture capital you cannot have that because the reality is the success percentage is very low. So we have to be very comfortable that we need to invest and we need to innovate, and we will have failures for sure. But we'll also have great successes. So talking about the success stories, why is it that we've had limited success with unicorns, for example? We've really only had truly one unicorn. It's questionable whether there's another one or two. But even let's say it's two or three, it's still very low considering the environment. Why do you think that is?

Anass Boumediene: I think the biggest challenge that we have is a fragmented market. When you look at the Middle East and the Arab world, you have more than 300 million people that speak the same language but we don't have the same currency, we don't have the same regulations that each country has their own regulation and framework of doing things. So whenever you start as an entrepreneur, like not building one business, when you're building for the Middle East, you're building like six, seven, eight businesses that with each one of them has to follow the regulations of the country where you're in and that impacts significantly your ability to scale and that really is what slows down the success of unicorn. But the idea is that going forward, I think that if we want to have more unicorns, we have to look into the regulations between countries and see how we can help businesses move from one country to the other easily.

Amjad Ahmad: Would you say that funding can overcome the laws and regulations. So if you had significant access to scale funding, would it make your journey a lot easier to scale?

Mehdi Oudghiri: Yes, I think it would make it easier.

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Obviously, because then you can invest in having the right resources in every single country. But I still believe that the lack of health and regulations is going to remain a big limitation because then you're a lot less agile. You have a much more fragmented team around the region and in each country dealing with very different laws and conditions and anything around the movement of goods, the tax implications. All of these differences create a lot of barriers to expand in the region as fast as you would in other markets, like in Europe, for example. But to go back to your question, I don't know if we should measure the success of startups in the region by trying to look at unicorns because I don't think we should kind of jump steps because even 100 million dollar companies in the region, I think there's only a handful of them. And I think that that would already be a great step for the ecosystem to start building around these companies that can exist at those valuations and have talent that grows with those companies that can eventually launch their own startups afterwards. I think this is really, in my opinion, where a lot of the focus should be, because obviously unicorns degrade, they make a lot of noise and get people excited. But I think that having a lot of these more specialized startups that are quickly reaching a valuation of hundred million dollars plus can actually help develop all of the industries in the region and I believe that that's the first step we should be looking at.

Amjad Ahmad: Yeah, I think unicorns are just a barometer of that, hey, you're creating a lot of companies that are scaling. So you would assume that there'll also be a lot of companies in between. But look, I fully agree. I think a great success in the region is if you can reach 100 million plus and we haven't had many of those either. So it is a big challenge. What has Covid done to your business? And I think more than just the business, how has it impacted the macro of e-commerce going forward? Has it changed the game completely or is it just acceleration only?

Anass Boumediene: I think the pandemic forced a lot of people to try e-commerce for the first time because they had no choice, because the offline retailers were not open. And this forced adoption is something that will stay for the long term because a lot of consumers tried buying groceries for the first time in the last few months and since then the experience went okay and the delivery happened. And from there it's a lot easier for them to make a second purchase of groceries and then from there to move into another category. So I think that what happened this year represents like a step change in terms of the e-commerce adoption worldwide. But even more so, like in countries like ours, in the Middle East, where there is like the gap between the supply and demand and because the demand was ready, the situation where you had offline retail being closed down, forced the supply to wake up. So all of the retailers kick started the transformation or the digitalization and they're moving into e-commerce. So the supply side of the equation is improving and this will in turn increase even further e-commerce penetration.

Amjad Ahmad: And it has done...

Mehdi Oudghiri: Just to add to that...

Amjad Ahmad: Please.

Mehdi Oudghiri: What I was going to say is that I think there's been a huge acceleration that's in the online penetration that will remain, but I think there were also changes in the consumer behavior that are even more important. If you look at online payments, for example, this has always been a struggle for e-commerce in the region where customers are a lot more comfortable paying with cash on delivery and this is obviously impacting operations for a lot of the e-commerce player and the success rate of deliveries for most e-commerce players. And what we've seen, again, across most players that we spoke to as well, is the pandemic kind of completely shifted customer behavior towards actually being a lot more comfortable paying online. And now about 80 percent of customers are paying online today.

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Versus probably like less than a third for most e-commerce prior, and I think that's going to stay for the foreseeable future.

Amjad Ahmad: I think that's a very powerful point, because although the demand on the e-commerce side has always been there, some of it was inefficient demand, right? It was just so expensive to service. But I think now that you have people paying online and more shopping online, it really accelerates not only the demand of e-commerce, but the unit economics of e-commerce look a lot more attractive. So I think that's a really powerful trend that that's happened. What have you seen with regard to offline? Because for you, now that you're shifting to Omni channel, this is very critical, right? Because we hear the death of retail, the death of retail, you're actually going into retail. But you're doing it in a very innovative way. So tell us a little bit about that. What do you see as the future of retail and how are you going to be different as an 'Omni channel player'? What does that even mean?

Anass Boumediene: There's a lot of things that we're doing differently here. The first thing is, is just on the concept of our offline stores. Like the look and feel is very different. We're targeting a much younger audience. Traditionally, the optical stores in the region are very medically oriented, very clinical, and they look and feel and they're targeting an older audience. So our approach is going to be different, the look and feel is going to be different. The products are mostly going to be our own brand. And that means that we have the ability to put them at a price point that is a lot more affordable than what happened in our competitors. So basically, you get your sunglasses or your eyeglasses with the prescription for about 100 dollars, and that is 50 to 70% cheaper than what's available in the market. So it's a really big difference in the product offering and the price point. And then comes the service level. We also want to have a much better service level than what exists traditionally in optical stores.

And on top of this, that this is the offline layer. What we want to do is really to connect it as much as possible with the online journey. So customers can start their journey online, reserve their items, book their appointments for the eye examination, go to the store, they find the items that are ready for them to try, they find the optometrist that is ready for them to do the eye examination. The prescription is directly uploaded to their account on their app and website and is saved for them. And the whole journey can start the other way around. This can start offline with somebody going to the store, just as a walk in and doing the test and then ending up shopping online. And there's like many variants to this model. But the idea is that for every single customer, we are agnostic to where they would transact. But what we want to ensure that they get like the best customer experience possible. And I

think, if we step back and apart from like our offline retail and Omni channel approach that we're talking about it, if we look at offline retailing, the retail market in general in the region, it's still heavily underpenetrated compared to retail markets in the UK or the US. So the retail opportunity is still huge here even pre-pandemic and post-pandemic, of course. And there has been like a lot of turbulence and issues that came with the lockdown's that were necessary. But now that we're going back to normal, the opportunity of a retail is back. There's a lot of underpenetrated retail space in Tier II and Tier III cities. So when you go to Dubai, you go to Jeddah, to Riyadh, you do have like the Megamall, you do have a lot of offerings. But when you go to Tier II and Tier III cities like you don't have the same offerings.

Amjad Ahmad: Yeah, in a way, the retail in the region is interesting because I feel like some of it is ahead of the game. They've already went down the path of retail as entertainment. When you look at something like the Mall of the Emirates, for example, it's heavy towards FNB. So lots of restaurants, lots of places to go, there's a phenomenal movie theater. There is a ski resort. It's a place where you actually go and you entertain your family. So in the region, the dynamic is a little bit different, I think. And a little bit ahead of the curve, I mean, that's where the world seems to be moving in more experiential sort of retail. I'm intrigued about more, how you're creating innovation in your space, because there's a lot of innovation that's coming into online Eyewa, so maybe a little bit about how you're using virtual reality, how you're using A.I., how you're using machine learning.

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Mehdi Oudghiri: So, there is definitely a lot of innovation that happening in our space. There are things that are already happening today that we have already implemented at Eyewa and there are things that are going to come in the future. And I think that would be very interesting. So you mentioned the virtual reality Try-on. That's definitely something that's been very helpful for us that we implemented on our app and mobile website for customers to basically be able to try their frames online. And it's like a kind of a mirror effect to yourself wearing any of the frames that are available on our website and basically it kind of breaks that barrier between online and offline because the main challenge with buying eyewear online is that you can't try them and you don't know how it will look on your face. And this is what we heard from a lot of our customers. So with virtual reality, we're kind of breaking that wall. But that's made the difference between the two there.

You mentioned as well machine learning. So I think this is more of a something that's being developed more and more for e-commerce in general. But it's moving away from having rigid websites where you're showing the same to everyone to then actually use machine learning to understand customer behavior in your website, the way they interacted with you, where they came from. Was it through an ad? Was it directly because they heard about your brand and offered them a completely different experience, depending on where they come from and who they are? And so, again, this is something where we're still early stage and we're working on. But we believe that this will be a big differentiator for us because that's something that cannot be replicated by offline stores. Your experience would be adapted to you, customize showing you the right products that are there for you.

There is another, maybe this one is more specific to Eyewa that we're very excited about. But I think will take a few more years is around the ability for customers to take their test online. So there's already been some solutions that are already like in the US, for example, but there's still too much friction in the experience. It will, and I think in a few years, we'll get

there with the progress that the smartphone manufacturers are making on the cameras. And I think it will only take three to five years to be able to see those technologies being just as efficient as going to an ophthalmologist and getting your eyes tested.

Amjad Ahmad: No, I mean, that's a game changer because most people, I think, tend to go in for the eye test and if they don't have to do that, you're going to accelerate even further online shopping of buying glasses, which I think is super interesting. I want to hit on a point that Anass brought up earlier about most of your hires in Saudi being women. What has been your experience there? Again, they empowerMe initiative, one of our pillars beyond entrepreneurship is empowerment of women and youth, of course, as well. So I want to hear a little bit about your experience there and why were you successful in hiring so many women, you think, in Saudi?

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Anass Boumediene: We were very lucky, like from the beginning, to have a lot of women work with us in our first, like 20 members. When we first started our journey, like the first few months, I think we had parity very few very early on gender parity. And in Saudi, we really wanted to have women work with us in the marketing department because initially when we started our business, our target was mostly women. And we wanted people that can connect with our target audience and that can speak with them in a way that that will connect with that audience. And frankly, like we have been very happy with all of our hires, like we did not see anything that would discourage us from hiring women in the future. Quite the opposite. We had only really good experiences with people that are very professional, that are hungry to learn, that are ambitious and that are contributing and that are always like very keen to make things happen.

Mehdi Oudghiri: Yeah, I think our experience, as Anass mentioned, with having Saudi women work with us has been amazing. What we've noticed is they tend to be actually more educated than a lot of men that we get to interview. A lot of them have like masters and they've actually studied quite a lot. For a lot of them, they work voluntarily. So, it's not based on need, it's because they actually want to work and they want to be active. And so they tend to be very motivated. And that's really very powerful. It's something we've been very lucky to have. The women that are with us in Saudi are great contributors to Eyewa and to our success today.

Anass Boumediene: And it's about our employees that we also had in our first board, we had a director that, Sarah Burrichos who a woman, and that was contributing significantly to the strategy of Eyewa and what we're building.

Amjad Ahmad: You actually preempted my question, which is, do you think that we're going to see more women moving up to the C Suite and to boards as this entrepreneurial landscape continues to increase?

Anass Boumediene: In our case that, we do have two people in our management team that are women like C-level. We used to have a board director that was a woman. But we had a change from their side. So I think that, again, this region is moving really fast and the change is happening so quickly. So what might not have been an option 10 years ago is not relevant anymore. Things have changed and women are participating more and more in the workforce and they're going into C-level positions and they're going into board positions as well.

And I think that my perspective is that the younger generation, like the millennials and younger, they're very open to that. We're not in a situation where, like we have an older generation that we have to convince because our population in our markets is quite young and all of the entrepreneurs are young. You can see very diverse teams from the get go.

Amjad Ahmad: No, I think that's a great point. And that's one thing I talk about all the time, is that actually as more startups grow, you actually take care in a way of the women empowerment issue because inherently the startups tend to be more flexible. They're younger people. They're just looking for talent. They're not biased in any way. There's literally parity from day one. And that's what I've seen, is that with the growth of startups, you're going to see more women sort of coming into the workforce and growing within these companies. So I think it's a huge plus that entrepreneurship is growing in the region for the empowerment of not only entrepreneurs, but women as well.

My last question, sorry Anass, is probably another difficult question, and I'm going to put a lot of pressure on you guys because the audience wants to know now and wants to invest for the future. So you've read the landscape really well, you've entered into food delivery that has done well, you're now in e-commerce and you picked a great niche, which is eyewear, what would you tell people is the next big investment trend where they should put their money specifically in the region? Let's start with Mehdi this time, give Anass a little bit more time to be fair.

[00:45:04]

Mehdi Oudghiri: I said the last, "Go for it."

Anass Boumediene: The last time we did this, it took us six months.

Amjad Ahmad: You don't have six months, so we going to have to hurry up Mehdi.

Mehdi Oudghiri: Sure. I think for me, there are a couple, I would say, of big trends that I believe need disruption in the region. I think finance is one of them. And what I mean by that is I would say for me, the most urgent is the banking system. I really believe that retail banking in general is still something that's outdated in the region and be it for consumers to get access to bank accounts, to get access to loans. But most importantly, I would say even for companies and SMEs to be able to -- even open a bank account is a challenge in the region today for four SME

Amjad Ahmad: I think you're being kind Mehdi. Since I've moved to the U.S., my stress level has come down significantly just because of banking.

Mehdi Oudghiri: That's definitely a big challenge. I think also the pressure that some banks are getting like globally on their compliance is just making it really painful for SMEs and even just like your average consumer to be able to properly have access to banking services. So I really believe this is something that needs to be disrupted in the region. It's a big challenge because there is a lot of regulatory barriers to it. But I believe this can really be a game changer in enabling the region to grow even further. The other one, I would say, is education. And I and I think that this will get even more accelerated now because of the whole Covid situation and the fact that a lot of kids had to study from home. And what I've seen from the experience around me is that, most of the schools were not ready for that shift.

Amjad Ahmad: Both definitely need disruption. I think the banking one you said it well, which will facilitate so many things. And I don't think it's only about it being inefficient today, it's also super costly. It's very expensive to bank in the region. So I think that will significantly help not only the population, but also, as you said, SMEs and companies that are trying to grow. So, Anass, you cannot pick the two that Mehdi picked, so you're going to have to...

Anass Boumediene: You're even making it harder. I think there's still a lot to be done in the grocery space. It's still very nascent in the region. And I think the opportunity is huge. And I think because of the pandemic and the shit that happened during that period of lockdown's, there is a lot of room for hyper-growth. So I think that the grocery business is something that we'll definitely look at in the region. And that's the only one that I can think of. If you want more, you'll have to wait six months.

Amjad Ahmad: It's a good one. That's a good one and it's a big one. So just tell investors where to call you for the next venture.

Mehdi Oudghiri: I think there's another one that we tend to not think about a lot. But I think the growth of e-commerce is also driving the growth of a lot of services that kind of evolve around it. Logistics is still a big challenge for e-commerce players. Payments is still a big challenge for e-commerce players. And so I believe these are also segments that will naturally grow with the growth of e-commerce in the region. But where we haven't seen anyone really crack, I think some tried, but no one has really managed to really disrupt logistics and payments in the region.

Amjad Ahmad: Yes, no, you're right, I think the ecosystem around e-commerce is just going to keep growing as e-commerce continues to evolve and you will see these sort of peripheral players around the e-commerce that I think will start scaling significantly, I think especially on the FinTech side.

[00:50:01]

And we're seeing it, we're seeing it with people who are doing credit and other things that will continue to scale. With that, I wanted to thank you both for really an insightful discussion. It goes without saying I think you two are great role models for the younger generation, the people out there that are trying to grow companies. So from empowerMe, I just wanted to wish you really much success going forward and we look to engaging with you further as we move along. So thanks for joining us.

Anass Boumediene: Thanks a lot for having us. Really appreciate it.

Amjad Ahmad: Take care, guys. Best of luck.

Mehdi Oudghiri: Thank you. Thank you very much Amjad.

Amjad Ahmad: Bye, bye. Thanks for listening, if you like what you heard, please subscribe to empowerMe conversations on your favorite podcast platform and please tell your friends about us. For updates on our work, follow Atlantic Council Rafik Hariri Career Center and Middle East Initiative on LinkedIn, and @ACMideast on Twitter.

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