

The Grass is Greener ... On Both sides

We always hear about entrepreneurs and businessmen who had it rough at the beginning, only to experience great success later on.

Talal Abu-Ghazaleh, chairman of the Talal Abu-Ghazaleh Organization (TAGorg), also known as the Arab Organization for Global Professional Services, began as a teacher and translator while studying at the American University in Beirut as he struggled to support his family which was living in Lebanon. Thirty-five years after starting his own business, TAGorg became a behemoth firm spanning accounting and auditing, intellectual property rights, educational consulting, management advising, professional training, legal services, and much more. Wajih Halawa sat with Mr. Abu-Ghazaleh to learn more in this exclusive interview with Jordan Business.

As the chairman of TAGorg, you have built a significant portfolio of activities over the past 35 years, but you had a difficult beginning as a self-made man. Can you tell us about your childhood and how you started your career?

I believe that I was lucky that I have suffered. Some people don't realize that in suffering there is great potential, because if you are deprived for any reason: politically, financially, socially or otherwise, and if you set your mind in the right direction, you will find that the only way to survive is to excel, by being better so you can be treated better.

I happen to be a Palestinian refugee. We were forced to leave Palestine in 1948 on a cargo ship, and found ourselves in the Lebanese village of 'Ghaziyyeh'. The closest school to our village was a two-hour walk away in Sidon and, having no transportation, I had to get up each morning at five o'clock and walk to school, whether it was sunny or rainy, windy or snowy.

You cannot imagine the advantages of exercising for four hours daily. But this hardship also deprived me of many luxuries I couldn't afford, most of which are bad for the health anyway. Instead I ate healthy food: bread, olive oil and thyme (zaatar), which we used to pick ourselves from the mountain. Intellectually, this walking was an advantage as well; because it allowed me to review what I had studied the night before, meaning this time was not wasted. Believe it or not, I drew a career path for myself during these walks. I decided I wanted to build an Arab organization, I wasn't sure what field it would be in, but I wanted to prove to the world that we are equal to, if not better than, international organizations.

Now, 50 years later, I can say with pride that Abu-Ghazaleh Intellectual Property, which handles registration of copyrights, patents and trademarks and related services, is the leading intellectual property rights (IPR) organization in the world, something that most people do not know. This is a field of specialized professional services, not something capital intensive where we can collect assets or build things. In spite of our market limitations, we decided to work in other parts of the world, and we now have a network of 52 offices from Montreal to Shanghai.

I wanted to be the exception from other kids, but in the right way. We have a lot of suffering in our part of the world, but that suffering is, in a way, a blessing. Obviously, I could not afford to go to school without a scholarship, so that meant I had to excel in order to get one. There was only one scholarship offered by the UNRWA for the top Palestinian student in all of Lebanon. I had to be number one or else I could not have attended the American University of Beirut to continue my education. It's that simple. Instead of sulking and feeling depressed, you have to look at the problem and do what needs to be done. People who don't suffer are underprivileged because they don't have to work on themselves as hard.

When did you conclude that you were going to become an accountant and auditor?

After writing some 300 cover letters for vacancies, I got my first job in an auditing firm. I have a suitcase full of hundreds of rejection letters from companies that did not take me on. Some of the people who signed those letters, worked for me later, but that's because they were good. I learned from a wise man who had asked for his tombstone to read: "Here lies a man who hired people that were better than him." Every person in this organization is better than me in his/her particular field. I'm just a coordinator, leader, conductor, father, or whatever you want to call it. If that person is not better than I am, then he/she does not have a place here.

How did your business expand to span public accounting, various types of auditing, tax consulting, and from thence intellectual property rights (IPR) and outsourcing?

Accounting was accidental because it was the only job that I could get at the time. I was at a Time-Warner conference in San Francisco back in 1969, and one speaker was talking about intellectual property rights, something which was total Chinese to me.

This triggered my natural student instincts and I started learning about IPR, reading books and checking on societies. When I started my firm in 1972, I decided that I would work in IPR as well as accounting, so I actually started both at the same time. I borrowed half a million dollars from a bank to launch the firm. Our Gross Revenue at Year-End was a mere \$5,000. I went to the bank again and said I needed another half a million dollars. I told them that if they gave me time, I believed I could make that money back. So they lent me more money, and the next year we made \$50,000. The third year we made almost \$500,000.

In five years, we broke even, and I started advising governments on how to develop laws that protect intellectual property as an engine of economic development. It was a process of learning, motivation, hard work and investment. For the past five years, we have been growing at a rate of 30% every year, and now we serve 40,000 clients all over the world. We are the largest IPR organization in terms of: number of employees, number of clients, number of entries, and volume. It is a professional service where financial size is not measured in terms of contracts, but our business now is of hundreds of millions.

Where do you see the market in the Middle East today? Aren't we behind, in terms of IPR and other fronts?

We are moving in the right direction. The region will witness an unprecedented boom over the next 5 to 10 years, in spite of the wars and the vicious aggression against our nation. We have learned to survive and to prosper during the most difficult times. Look at Lebanon, even during the years of the civil war, if you wanted the best of anything, you could still find it there.

Some of the highest IT and general literacy rates in the world are in Palestine. Ninety-eight percent of people under the age of 25 are literate, even unemployed. I'm counting on the availability of technology and the accessibility of the Internet to offer to the Arab youth few resources to develop themselves and become highly competent, well educated, and informed workers.

How can we continue to develop the IPR market and its regulatory framework?

The Arab world has moved, in the last 20 years, faster than the developed world. Let's not keep persecuting ourselves. We have the fastest growth in IPR protection more than anywhere in the world. In every single Arab country, there are laws protecting patents, trademarks and copyrights.

There is room for development, but that applies everywhere. We did not use copyright infringement and piracy to develop our technology base.

Israel, on the other hand, is one of the leading IPR pirates in the world, according to the Special 301 Report from the United States Trade Representative office.

What about the outsourcing component of TAGorg?

We try to do most of our work internally because, as a large organization, we need to provide services for our own use, but also to provide them for our clients. When we started with our first Web site, we outsourced it, but we realized that there isn't a company which could provide us with the service we wanted. Now, we have 20 people in Web development alone. They are fully employed to develop and design our Web sites, as well as sites for our own clients, especially governments. We start with ourselves by finding the best people to do things for us, so that our clients can rest and be assured that they are receiving the best quality.

Let's talk about the Talal Abu-Ghazaleh College of Business (part of the German Jordanian University). Where does your input come in?

This is the first partnership I know of anywhere between a private organization and two governments in creating an educational institution.

We are very proud that we have been given this honor. This is the place where we can provide the outsourcing services we talked about; what we're teaching at the college, and what we're doing here in the company. We are fully in charge of administering the college and are simply required to comply with the requirements of the Council for Higher Education.

I am determined to make this college the Harvard Business School of the Arab world because we can provide it with the practical knowledge and experience. Second, we have specialized people on every subject, so when there is a need for teaching a very specialized topic at the college, we can provide a specialist for that purpose in addition to the full-time professors.

Third, we provide internships and training for students during their vacations, in the fields they have chosen, and every graduate is guaranteed a job. This is why we only went into the fields that we need and for which we are recruiting people. Our problem is not in finding new clients, but rather finding qualified people.

That's a major complaint in Jordan.

Well, we decided to stop complaining and do something about it. There are very limited IPR courses in all universities, if not at all, so we will develop them ourselves. International accounting, quality management, IPR, and dispute settlement and arbitration are the fields where we need people the most. We are global pioneers, and we are setting up standards for intellectual property valuation for the first time in the world, involving a board of world leaders in intellectual property, law, accounting, and business. These standards overlap all of these areas, and TAGorg has the capability to be a melting pot for these disciplines. The members of this board have developed draft standards that we hope to issue by the year's end, and which I am sure will be adopted worldwide. We have already started valuing some of the leading Arab companies on the basis of these standards, to figure out how much of a company's assets are due to its brand name alone.

There is fierce competition, so how do you maintain motivation?

We call ourselves a "capacity building" organization; self-motivated and self-initiated capacity building. For example, in 30 years, I don't think I have signed a check for the company. You may find it strange, but I honestly do not have a checkbook anywhere in the world. The organization is internally managed through a system of checks and controls, but complete authority is given to the various units to manage their business.

Also, it is very rare that you will ever find me signing any official documents. I don't have the authority to sign any contracts or client assignments or reports. It makes employees feel the sense of ownership i; they own the projects, the business, and the service.

This is the problem for most Jordanian businesses. The "boss" has to control everything. Yes, but they come to me when there is a problem. I am the old man, the problem solver when there is a conflict or a decision. But nobody can claim that they need the chairman's approval to do anything here. Now, when it comes to hiring employees, managers are those who recommend, while the personnel department decides, and they fill me in. They only do this because I want to make sure there is no discrimination in selecting employees and that there is a right balance and there is neither favoritism nor nepotism. We have no bias except for talent.

Do you talk to employees a lot?

Always, that's a problem sometimes because we are growing and we now have almost 500 people in Jordan alone, so we have trouble finding locations where we can get all of them in one place!

But I sit with them, I talk and listen to them, and I try to give them motivation whenever I am visiting our offices. Often I turn down other invitations to sit with them for lunch or dinner, something simple like sandwiches or a plate of fowl so we can feel like family. It's a great feeling!

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http://www.jordan-business.net/magazine/index.php?option=com_content&task=view&id=57&Itemid=40

this interview can be also found at:

<http://www.chartwelleducation.com/pages/posts/the-grass-is-greener--on-both-sides8.php>