

# Aiming for new heights

Reji Joseph, the new CEO of Al Anwar Holdings, talks to **BusinessToday** about his vision for the company, the challenges he foresees and also his first impressions about the business environment in Oman



## How have you spent your first month at Al Anwar Holdings?

I have been interacting with my colleagues and discussing with key people in the local business community. I have been listening to their impressions and ideas while I form my own. So far, I have done a lot of analysis on our group companies and this includes

the revenue composition, cost structures and capital formation. I shall continue to invest my time and energy to look beyond the numbers and assist our investee companies so they are raised to their full potential.

## What prompted you to come to Oman and what is your opinion about how

### businesses operate here?

There is a very positive outlook that has emerged for Oman, which indicates that this place will be raised to an even higher level over the next decade as the entire market is evolving. Oman is proving to be a lot more innovative and has become more compelling over the years. It's well positioned geographically, it is stable, has an exceptional leadership and warm people. Oman is on its way forward. The local business ethics and culture is quite strong, but people around the world underestimate this to a large extent. The regulatory environment is extremely robust, fair and is business friendly. A significant number of Omanis have travelled around the world, have been exposed to different cultures and are very receptive to new ideas. Most have a very clear idea of what they are doing and what they want.

### Several companies including Al Anwar, with investment models and large amounts of securities listed on the Muscat Securities Market, are facing a difficult time due to periodical swings on MSM. Do you see the conditions improving?

It is true that most investment holding companies have taken a hit recently due to the dip in valuations on MSM. If you look at the earnings potential and their current price to book valuations of some of their investments, you will see a lot of potential on the balance sheets, so now managements need to understand and seek to unlock value. Some of them have a very sound business model and are highly focused.

Those that have a motley of investments without developing core competencies will be stressed by each market shifts. The models that are going to work are those where growth capital is invested for scalable models, where management competencies are

strong and have a prudent cost structure. Investment houses that are focused on certain areas where they have key competencies and can envision how to differentiate the business models will bring more value to the shareholders.

### What is your vision for Al Anwar Holding?

My vision is to make Al Anwar Holdings among the top investment holding companies in the Middle East. There is a huge potential in the Middle East. We will continue our focus on the financial services and insurance sectors and also in energy while other sectors will be considered on a case to case basis.

We will look for businesses with strong management depth and clear focus and those which are innovative. It is my belief that we can add even more value to our investees by bringing in better models to support the organisations. This is one area where I see an internal opportunity for growth as a company.

### What are the challenges that you foresee for investment firms here?

We are in the midst of a seismic shift in the geopolitical and economic world order. There is the financial crisis/correction that we were in the throes of. Several of the industries and management practices in Oman are still evolving and events around the world place great stress on our maturing systems. All these factors could impact investment holding companies. But one has to bear in mind that during times of uncertainty, there are opportunities and areas you can explore, along with new bets you can afford to make. And we at Al Anwar want to be differentiated this way. It's good to know that the local businesses are keen to adopt the best business practices and open to new ideas and innovation.

### What is your opinion of how the family owned businesses work here?

The good thing about family run businesses is that they quite often stick to the basics and are quite focused. There is a very long-term

agenda by the promoters. While the listed companies are pressurised to exhibit stellar quarter on quarter performance, family owned businesses can concentrate on a longer term strategy and deliver these results in a prudent manner. Governance issues are better than what is the general perception.

However, the business dynamics have evolved and have changed the landscape, given competition pressures and technological advancements. Business sustainability will be challenged and family groups will now have to prepare differently. As the environment has changed, demands of international trade have become more significant. Omani businessmen have been getting more exposed to the external markets and the modern way of doing business for many years. The family groups are now more prepared and capable at looking at larger corporate and professional structures. It is not going to change quickly but these groups can be encouraged to make the transition. This should result in more family groups listing on the local bourse. ■

IT'S EVERYWHERE YOU WANT TO BE



[www.businesstoday.co.om](http://www.businesstoday.co.om)

log on to the **All-NEW INTERACTIVE WEBSITE**

**business**today

Analyses | Market Updates | Banking | Corporate Moves | **And lots more...**

only a click away! 