



Scoring goal after goal

Sayyid Khalid Hamed Hamood Al Busaidi, chairman of Oman's Sabco Group, is a versatile man. These days he spends most of his time developing Omani football, but doesn't take any of his attention away from his business. **Utpal Bhattacharya** finds out how he manages so much in 24 hours.

You are a second-generation businessman. But during your tenure as the chairman, the group has seen tremendous growth. Can you give us a brief rundown as to how it all happened?

My father started Sabco LLC in the early 1970s. Since he has always been associated with the government, business was not exactly his priority. He set up the business primarily for his children. Sabco LLC started off as

a trading company. It also represented many international companies that started operations in Oman in the early 1970s. At that time, the country was starting to invest in various infrastructure projects, roads and hospitals.

Sabco later diversified into a plethora of activities, including manufacturing and services. We went into financial services, property development, media and communication and investing in many associated companies. Today

we are a diversified corporate group in Oman.

You brought significant changes in doing business to the group when you became its chairman.

I studied in Oxford and also did my MBA in the UK. When I came back, I had new ideas. And when I took over as the chairman of the Sabco Group in 1998, my first step was to re-engineer and restructure the group.

We were the first group in Oman to create a governance structure

for the family business. We put in place quite a solid structure, where today we have the family assembly. We meet every year – all the family members from kids to elders – to review all the businesses of the group. Below the family assembly we have a board of trustees, which has senior family members – only four persons. Then we have the board, of which I am the chairman. We also restructured all the group companies. We created this governance structure to guarantee the continuation of our family business for generations to come. The restructuring happened very smoothly and was accepted very well in the family.

The second step I took was to redefine our short-term and long-term objectives. Since then, we have seen successful, rapid growth in all areas of businesses. We put in new systems and policies and created transparencies. Today we manage the Sabco Group as a public company. Although it is not a public company, we have managed to put the culture of public company governance in all our group companies. I think this guarantees the long-lasting success of the group companies.

In my tenure, we as a group have also come up with many new ideas, while also opening up to the idea of joint ventures in Oman and elsewhere in the world.

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So there's been a lot achieved in the last 10 years at Sabco.

We have always maintained a sense of responsibility towards the development of Oman, mainly because of our association with the government and because of family relations with the royal family of Oman. We have always maintained that whatever we do should add value to the economy of Oman.

We are very happy to see the group emerging as a player in the economic development of the country. We have created brands like Amouage. It is today one of the elite brands of the world in terms of perfumes, fragrances and cosmetics. We have got great aspirations for Amouage to take it further to become a fashion house

of international calibre from this part of the world.

In fact, we are considering a couple of options of expanding Amouage's reach globally through takeover of associated businesses in the fashion industry, outside the region. We want to see Amouage established very quickly as a world-class brand.

What about other group companies?

We have been pioneers in mineral water bottling in the country and the region. The Natural Mineral Water Company owns 40 per cent of the market share of water business in Oman. It is a public limited company and today we have got into a joint venture with Isklar, a Norwegian company, where we have exported the experience of bottling water into the project. Isklar is one of the four most popular premium water brands in the UK. We are hoping to emulate this success in other European markets.

We have also been pioneers in shopping malls in Oman. We started the Sabco Centre as the first shopping mall concept in the country in the early 1980s. Since then, Sabco Centre has played an important role in developing Qurum into a shopping district.

We are also very much into recycling. We are majority shareholders in a huge recycling

plant in Fujairah and we see new technologies and awareness creating opportunities for this business line. We are also doing a PET recycling plant in Fujairah, which is the largest in the region today.

In all our businesses, we are focused on high quality, which is also the value that the family brings into the enterprise.

Have you employed professionals to help you with the family office?

We have an organisational structure. Each company has its own independent management and we meet as a group board and set the objectives, analyse the financials and business reports and set business plans. In addition, we have what we call the family investment office, which sits between the chairman and the board of trustees. That office is responsible for any new growth opportunities, investments or disinvestments. It also manages the entire market portfolio. That's a separate entity, mainly an investment-focused entity. The other businesses are independent companies run by CEOs. They have independent budgets and certain objectives to achieve. We do not operate as a centralised operation. Part of our restructuring was to do with decentralisation and creating accountability, but it was also done to give professionals enough space to bring out their best.

What about taking the group public?

We have a few companies that are publicly traded. I think more and more family companies in the region will become public in the future. The benefit of companies becoming public is that it allows you to enter and exit the business any time. Liquidity is never an issue and you can unlock value at any point of time. Of course, there are



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We have taken a few companies public and we see a huge benefit in doing that. We are, as a group, also very much ready to go public today in terms of our internal systems, internal governance structure, etc. However, I feel that instead of unlocking the value of the main family holding company, group companies should be taken to public. The approach should be that you build a company, create value in it and then unlock it.

It is almost like a PE approach.

Something like that.

Is it more of a trend now for family companies to go public?

I think it is a trend and it is the result of the growth of the economy and the opportunities that are there. The region

remained dependant on oil revenues for a long time. But today you have new leaders and new entrepreneurs. They are increasingly looking beyond oil to create new business opportunities. So definitely it is a new trend and it is a positive trend.

What does it take to manage so many different entities and your other interests? How much do you work?

It is all about time management and it is all about delegation. Being the chairman of such a large diversified portfolio is not a problem if you manage people in the right direction. I am a composer as well. I make music. That is something that helps me a lot in managing some of the problems that arise.

I like playing music late at night. It gives me energy. It calms me down and at the same time gives me ideas for the next day.

Is it an inspiration thing, the music?

I love music and since my childhood I have been playing various instruments. I have composed so many music pieces. I do it as a hobby and as a passion. And music certainly helps to reevaluate the day and plan the future.

You have contributed a lot to Omani football. What brought you to the game?

I came to football after I finished my university studies in the 1980s. My elder brother, who passed away in the 1980s in a car accident, used to be the president of the Fanja football club. I used to be his vice president. I became the president of the football club after he passed away. And I stayed the president for three years. During my presidency, the club managed to win Oman's first-ever Gulf Cup for Clubs. Never since then had an

Omani club won a Gulf Cup. It is still a record.

After my term as president of the club, I focused entirely on my business, but three years ago, when FIFA enforced changes to football rules around the world and said football associations have to be fully elected, I was called by many of the clubs. They told me that they wanted to elect me as the first elected president of the Oman Football Association (OFA). I gave it a thought and I saw opportunities for football in the country, given the huge passion for the game. I felt we ought to think of football as a business rather than just some social activity. I did my research and found out how countries have managed to transform football into business.

I came up with a strategy document for football in Oman that looked at transforming Omani football into an industry. And I campaigned for it. I visited 43 clubs and discussed with them how to transform football into a business. The clubs supported me and I was elected. There were three people running for the seat. Out of 43 seats I got 29 votes, which was very good.

This is your second year as president of the OFA. What have you achieved?

In the last two years we have managed to change the perception of the community that football is not a social activity. Of course, we have lot more to do. But we are very happy today to see association with big companies in Oman like Omantel that believe in our strategy and vision.

We have plans for football to transform into a professional league in Oman. We are working very closely with FIFA and the Asian Federation, and also with the English Barclays Premier League, to help us set up the fundamentals for professional football in Oman. We also have plans for development of



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grassroots and women’s football, in addition to beach football. We started beach football last year, and in our first year, we won the golden medal of Asia.

We won the Gulf medal for the first time ever and now we are competing to be in the World Cup of beach football.

We also lifted the Gulf Cup for senior teams in January 2009 for the first time ever. We have brought teams like Brazil to play in Oman. And this type of event puts tremendous focus on the game, as to what it can bring to the country in terms of promoting Oman, promoting tourism in Oman and creating wonderful opportunities for partnership and advertisers here in terms of communications, merchandising, buying and selling players, creating value for clubs and benefiting clubs from practising football.

Around the world, you see countries that are only known for football. And football is the main source of revenue. Of course, that wouldn’t be the case in Oman, but there is potential to make football an important player in our society that will also help in the development of the country, boost tourism in the country, help the youth and, hopefully, bring more medals for Oman. The majority of the Omani population are young people. They love football and play football everywhere. Why can’t we take that as an opportunity and see how to make football a successful industry earning significant revenues?

How much of your time do you devote to football and how much to your own business?

In the last two years, I have given a lot of time to the football association. I spent more time here [OFA] than my other office. But I have my Blackberry with me and it helps. It is important in the first couple of years to set up the fundamentals for the growth of football. And that’s what we did in the last two years. We revamped the whole governance structure. We are working with FIFA, the English Barclays Premier League, the Asian Football Federation and others in setting fundamentals for professional football in the country and then trying to tie up with more partners for the football association to create a base of funds, which is required to execute our plans for the game’s growth. Once we put that in place, football management will take off and will start running on its own steam. It is a matter of setting up the fundamentals at this moment. And hopefully, things will move smoothly later on.

Which is your favourite team?

My national team, of course. My favourite international team is Brazil and there are two favourite clubs: Real Madrid of Spain and Manchester United.