

Zain Iraq: Putting faith in youth

Ali Al Zahid, CEO of Zain Iraq, is confident that the youth-centric telecomms operator's digital investments will pave the way for a brighter future for the company as well as the country



Al Zahid thinks that it's essential for the government to involve major companies like Zain Iraq in discussions that affect the economy, given the fact that these organisations make a significant contribution to the GDP and are playing a crucial role in rebuilding the economy.

Under the leadership of the youngest ever Zain CEO, Ali Al Zahid, Zain Iraq is taking fast strides into the digital era.

Backed by a youth-centric approach and an optimistic view on the potential of Iraqi youth and the Iraqi economy in general, the operator has made several significant investments in revamping the network infrastructure of the country.

“We are ensuring we introduce the best equipment when it comes to telecommunications in Iraq. We are now working closely with leading

companies such as Nokia, Huawei and Ericsson,” Al Zahid, an Austrian national with Iraqi roots, says.

Nokia has modernised and expanded Zain Iraq’s radio networks with its advanced technologies across Karbala, Najaf and Basra. It has placed special focus on the holy cities of Karbala and Najaf to support the expected increase in data and voice traffic during the holy Zeyara, as millions of people converge on the region.

The upgrade allows users to enjoy improved indoor and outdoor coverage in both urban and rural areas as well as increased data throughout, leading to a better customer experience. Al Zahid also explains that the network infrastructure of Makkah was the model for this ambitious project.

Rebuilding a nation

The last few years have been extremely challenging for Iraq in light of the battle against ISIS and accompanying instability and loss of infrastructure. The country lost two governorates to insurgents before they were regained at some cost. This brought with it a significant impact on the revenues of the operator in more ways than one. Network infrastructure was destroyed, shops were shut down, people lost their jobs and spending power was adversely impacted.



Government representatives, along with Zain and Nokia officials, announce the expansion of networks in Iraq

Al Zahid describes how instead of being discouraged by the often tragic turn of events, the operator made efforts to rebuild lost infrastructure and

restore 3G connectivity for its customers. “It was a very big investment and this shows how much faith we have as a company in the future of this country, though at times conditions are different from what we would wish for.”

In another bold development, Zain Iraq took up the challenge of rebuilding the entire network infrastructure for Anbar and Mosul after the two governorates were completely destroyed during the war. The operator has also worked with Nokia in the south of Iraq to modernise the networks in Najaf and Karbala. In partnership with Huawei, Zain Iraq also rebuilt the whole network in Kurdistan.

Al Zahid admits that Kurdistan is a region where Zain doesn't have the biggest market share since it was the last operator to get the permission to build its infrastructure there. “However, now we are the fastest growing operator there, with the best ever network in Kurdistan,” he says of Zain's rapid growth.

Zain Iraq has also been instrumental in rebuilding the network infrastructure and ensuring that the newly liberated regions of Anbar and Mosul receive the best data coverage in terms of 3G.

“Without waiting for compensation, we have invested and rebuilt the entire network infrastructure. The investment totalled around \$46 million for one region and for the other region we have already invested \$30 million,” Al Zahid says, adding: “We hope to receive support from the government as an acknowledgment and appreciation for these efforts.”

Al Zahid further adds that, contrary to what would be expected of organisations during such a time of crisis, Zain Iraq didn't lay off any of its employees in the war-torn regions of the country, and made sure all of them kept getting their salaries after the conflict began.

As the operator was trying to overcome these losses, it also had to bear the brunt of new taxes imposed by the government, which took a further toll on revenues. Al Zahid thinks that it's essential for the government to involve major companies like Zain Iraq in discussions that affect the economy, given the fact that these organisations make a significant contribution to the GDP and are playing a crucial role in rebuilding the economy.

Al Zahid points out that Zain Group and other Zain Iraq shareholders have invested over \$5bn in rolling out mobile services in Iraq since grant of operating licence in May 2003.



A youthful brand for a young population

Next-gen customers

The investments have paid off in terms of increased market share and growing revenue gap between Zain Iraq and its competition, Al Zahid says. “People prefer us as we have more advanced services.”

The Iraq market is definitely not what would constitute a “favourable economy”. In addition to the challenges which telecom operators worldwide face in terms of increasing customer churn, decreasing voice revenues and the search for alternative revenue streams, the Iraqi operators also have to battle issues like political instability, remnants of the insurgency, and a lack of adequate power sources. That multiplies the efforts needed from the operators to ensure uninterrupted network connectivity for their customers.

Another highlight of the Iraqi market is its growing youth bulge. With a population of 35 million, most of whom are youths, Al Zahid says there is “big potential” among a demographic that is consistently on the lookout for new digital services. Fifty percent of the Iraqi population is below 25, which Al Zahid says requires “a youth-centric approach”. “The

opportunity for us is that we are dealing with a very open-minded population that is hungry and open for new services, especially digital services.”

Boots on the ground

Thriving in the Iraqi market is not easy for any business right now, and an approach that might prove successful in many other countries might fail here. According to Al Zahid, what’s needed are strategies that transcend PowerPoint presentations into on-the-ground realities. “The Iraqi market requires that you actually implement what you have put on your PowerPoint slides. That requires people with a hands-on approach, who are willing to go the extra mile. The standard solutions don’t always work in Iraq and you need to be very agile and flexible. It’s a 24-hour job that requires out-of-the-box solutions.”

The question that arises here is how the young CEO manages the multitude of challenging situations. “The challenge that telcos have around the globe is that they handle the business in an old fashioned manner and if they continue to do so, there will be no telco in the future,” Al Zahid says. “We are in a very competitive market and missing opportunities means that you can lose significant market share.” He says that this scenario calls for a board with people on it who have a digital perspective and are willing to take risks.

Al Zahid also puts an emphasis on key factors like the right hiring strategies, complete clarity with the shareholders, a belief in the future of the economy and, most importantly, the confidence to take risks even though things might go wrong.



Zain has placed an emphasis on social media

In terms of hiring, the CEO seeks a diverse mix of people at work, including “... people with experience, people brimming with creative ideas, people willing to take risks, people who are experts in their fields and who show the way forward.”

As for the shareholders, Al Zahid believes that, as a CEO, it's important to maintain a close line of communication with all stakeholders in the company. He emphasises that having an experienced leader like Mohammed Al Charchafchi as chairman and a visionary like Bader Al Kharafi as vice chairman (who is also the Zain Group CEO) makes life easier, since they are also believers in trying new things and making bold moves.

Digital engagement

In order to counter revenue losses due to taxes and wars, Zain Iraq resorted to the search for alternative revenue streams. Considering the huge proportion of youth in the country, it has established a special unit to focus on digital innovation. Al Zahid says this puts Zain Iraq among the leaders in terms of digital revenues across all Zain operations. “This is because we have invested a lot of resources, not just in terms of finances, but also in terms of dedication, capacity and skillsets.”

Another area on which the operator has trained its focus is gaming, which is picking up at a fast pace. In addition, the operator tries to ensure that new technologies are introduced to Iraq at the same time as they are

in other parts of Middle East. “It makes us happy because we can see a bright future for this place,” he adds.

In terms of broadband connectivity, the operator has invested significantly in 3G and is now expecting the regulators to facilitate 4G in the next 12-18 months.

As a young operator, Zain Iraq has been constantly engaged in efforts to drive youth engagement via social media and other platforms. Al Zahid shares an instance when the operator conducted a Facebook campaign inviting customers to pitch in ideas for a TV ad for a new data bundle it was planning to launch. “We were really amazed by the number of ads we received as well as the creativity they displayed. And we were pleasantly surprised at how many people were actively visiting our Facebook site, seeing the ads, liking and sharing the posts,” he continues.

The winning entry came from a group of four Iraqi youths, who not only got to have their ad on TV but also received training sessions at the operator’s creative agency.



Zain’s headquarters

In another instance, a 27-year-old woman expressed a two-fold wish on the operator’s Facebook page. She wanted a jar of Nutella and the

chance to try a trainee job at Zain Iraq. She not only had her Nutella jar couriered to her, but was also invited for an interview with the executive management, following which she was offered a trainee role.

“This approach has required us to be in touch and stay transparent,” Al Zahid says. He adds that he regularly sees the company’s Facebook page and even replies to comments when appropriate. Having started his career as a call centre agent when he was a student, Al Zahid understands the importance of staying connected to customers at all points.

To encourage entrepreneurship, Zain Iraq also organises start-up weekends where young people are invited to pitch their ideas. If any are selected, the operator then tries to play the role of an investor, forming a link between creative talents and the best in the industry.

During his time as CCO, Al Zahid launched a multi-faceted marketing campaign dubbed “Hassa Eliya” (Now for Me). The ground-breaking marketing initiative focused on inspiring and empowering young Iraqi talent by encouraging them to explore their potential and skills, and equipping them with the tools to help achieve their goals.

The first initiative in the programme was a “Hassa Eliya” Facebook page that served as a platform for young Iraqis to voice their ambitions and which showcased a newly produced television commercial, which garnered five million views in its first 72 hours. Six months later, this number had increased to 16 million with 70 million impressions, with a total engagement that exceeded 550,000 young Iraqis inside the country and from around the globe.

Follow the leader

Upon being asked what he feels have been his most notable achievements as CEO, Al Zahid suggests that it’s his ability to lead the organisation and gain the trust of everyone onboard, and to gain market-share from Zain Iraq’s competitors for three quarters in a row that have been the biggest highlights.

“I’ve grown up in telcos, from starting as a call centre agent, to being responsible for sales, to being the director of sales, to then being chief

commercial officer. Because of me, our company is very commercially oriented unlike many other operators who might not necessarily have a CEO with a commercial background.

“There’s a time when someone with finance background should lead a company, there are times when someone with commercial background should lead the company. Our situation now demands a commercially driven approach.”



Ali Al Zahid began his career in a call centre

Al Zahid says he believes in leading by example. “I can’t ask my people to go to Mosul for a customer acquisition tour if I am not willing to go with them. It’s important to have the right leaders who are genuine role models to everyone in the organisation. I have learned much more from such people than those who might have a lot of theoretical knowledge but don’t have the right attitude.”

In terms of sales, Zain Iraq is working with several partners on the ground. It has re-modernised all its shops in Iraq, not just in terms of aesthetics but also in terms of the competencies of the people working there. “The right people to drive sales at shops are not necessarily ones with fancy degrees; they are the ones who like to work with people, who are communicative and sales oriented.”

In the months and years to come, Zain Iraq is determined to strive toward being the best youth-centric and digital operator. The operator

plans to carry on with digital investments, hire the right people, engage the youth and appeal to the masses for its ability to take risks and make things happen.

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<http://www.arabianbusiness.com/technology/387000-zain-iraq-putting-faith-in-youth>