

Tajawal's CEO Has His Eyes On A Billion-Dollar Business

Muhammad Chbib, CEO of online travel company, Tajawal, has spent three years building a digital platform for adventurous travelers. He is convinced this could be the billion-dollar idea that puts the Middle East on the map.

From the moment serial digital entrepreneur, Muhammad Chbib, was approached by Al Tayyar Travel Group—one the region's largest travel companies—to build and run a new online business, he knew the chance was too good to turn down. "I figured very quickly that this was a billion-dollar opportunity," he remembers.

Chbib launched Al Tayyar's first online travel portal, Tajawal, in 2015 with a team of eight. Today it employs more than 800 people across four countries. With the challenge set to be achieving \$1 billion in sales per year within five or six years of its launch, Chbib and his team seem confident that they're on track.

Tajawal's sales reportedly crossed the \$1 million mark within six weeks of it launching, before it had even finished its beta testing phase. In 2017, the business unit tripled its sales to \$300 million, and with double-digit growth projected month-on-month in 2018, it could be celebrating similar success this year.

Although Chbib insists he is not a money-motivated leader, the prospect of being behind the Middle East's first profitable billion-dollar online business clearly excites him. "How many have been created in the Middle East in the last 20 years—none," he muses. "It is a mission impossible, but we're getting there."

Vinod Krishnan, Head of Commercial Business for MENA at Amazon Web Services—the cloud platform behind Tajawal's technology—thinks that Chbib has what it takes to lead the market. "What stands out about Muhammad and the team is that they have created a culture of innovation," says Krishnan. "Tajawal was born out of a need for online travel solutions that cater to a local audience, and the company continues to grow and build innovative travel offerings using cloud computing."

With most travel bookings in the Middle East made offline, Tajawal has tapped into a growing market. Although still small compared to the U.S. or Europe—data from Statista calculates that North America accounted for 31.8% of global digital online sales in 2017, compared to the Middle East and Africa's 4.1%—GCC residents are gradually turning to tech.

According to travel, tourism and hospitality research company, Phocuswright, offline is still popular in the Middle East because of the prominent role that traditional travel agents play in the region. "Personal relationships, native language use, loyalty programs and a lingering mistrust of online payment methods still influence many travel booking decisions," Phocuswright revealed. However, as the youthful and ever more tech-savvy population

embraces digital transactions, online penetration was projected to reach 31% in 2017, and is forecast to jump another 10 percentage points to 41% by 2021.

Exploring Tajawal's platform you'll find something a bit different to the standard offering. "At the end of the day it's unforgettable experiences that make you exciting as a person, and I think that's a totally untapped segment in this region," says Chbib. "We focus on adventurous travelers, people who don't want to go do the standard stuff. I think this is our key differentiator—we understand this market probably better than anyone else because we are from this market."

Some of the stand-out packages include adventures in space-like pods in the rugged terrain of Jordan, stargazing from treetop hotels in snowy Sweden, and glamping amongst the African wilderness. Tajawal even partnered with FIFA to offer World Cup 2018 packages to Russia in the first year the Middle East had five teams qualify for the competition.

The team uses local knowledge to tailor its packages. For example, they know that many Arab families travel together in large numbers, so a booking engine that only allows you to book one or two rooms isn't enough, and cooking facilities are often a necessity rather than a nice-to-have. Tajawal uses a cloud-based machine-learning system to collect unique data like this, and uses the insights to create new revenue streams, making recommendations to consumers for destinations and packages.

"The team is always innovating and looking for new ways to create better customer experiences," agrees Krishnan.

While new to the travel industry in 2015, Chibb was by no means new to the startup game. The enthusiastic entrepreneur set up his first business in 1986—he was 12 years old. Buying, fixing and selling bikes in his hometown in Germany, over five years he soon had spending power much higher than that of his classmates' pocket money. "I had the biggest computer in class and the nicest bikes," he remembers. He continued to work his way through private business school and university, swapping bikes for office management, publishing and administration.

While at university Chbib lived with cofounder and CEO of Rocket Internet, Oliver Samwer—today worth \$1.17 billion according to Forbes. "We were housemates. Him and I were always discussing entrepreneurial ideas," Chbib reminisces. "He was always telling me don't go into a corporate, don't do this, it is not you, blah blah."

Whereas Chbib went into the workforce after graduation, starting briefly with Proctor and Gamble before joining SAP as a business consultant, Samwer went to Silicon Valley. "I remember the sentence I told him back then, I said 'are you stupid, idiot, go get a proper job!'," Chbib laughs.

Samwer went on to create German auction site, Alando, in 1999. "He called me up one day and said hey I'm going to create an online auction service and it's going to be basically a copycat of e-bay, which he did," says Chbib. "I didn't join him then—around 120 days later he sold it to e-bay for \$43 million—that's the day I resigned from SAP."

Aged 25, Chbib started looking into business ideas. After six months he fell onto one he thought could work—a B2B procurement marketplace for the European plastics processing industry—a copycat of U.S. company VerticalNet. It was successful, albeit briefly. Chbib acquired funding, hired 40 experienced people and pivoted the business model. Then the

internet bubble started to burst.

“We had some cash, but we would need another funding round and we didn’t believe that we would get it in the market,” explains Chbib. “So, we sold our technology and gave money back to our investors. We came out of notary republic on September 11, 2001. It was afternoon in Europe, morning in the U.S.”

In the wake of the 9/11 tragedy, finance dried up. Chbib’s three co-founders went into corporate jobs while he took on freelance projects. One such project for an IT-security startup brought him to Dubai in 2003, where one day lounging by the pool in Emirates Towers, he bumped into an old university friend that happened to be working for McKinsey—he persuaded Chbib to spend a day in the office.

At that time Chbib says he “despised” his professional life. Consulting seemed like a good option. After seven interviews, he joined McKinsey and moved to Dubai in 2004. “All the discussions were about impact, not about making money, it was about how can we change the world? It was really exciting,” he remembers.

Chbib stayed with McKinsey for seven years, moving between Dubai and Germany for the likes of Etisalat, Telefonica O2 and SAP. A typical strategy project could see him working from 7:30am until 4am, every day, seven days a week—for one he flew back early from his honeymoon to manage a crisis. Eventually the lifestyle took a toll.

One day in 2010, Chbib woke up and found he couldn’t move. He had four slipped discs and needed 27 injections in his spine. After two months off he went back to work for four weeks, before deciding enough was enough.

“I felt like I needed to change my life,” he says. “I decided I needed a change, and I wanted to get back to the startup stuff.”

He got in touch with a German investor keen to hire someone to take over startup, sukar.com, in Dubai. At the time it was making \$200,000 a month and needed a leader at the helm that could scale it. Chbib took over as CEO in 2011—within a year it was making \$2 million a month. In 2012, souq.com acquired it for an undisclosed sum.

Next, in 2012, Chbib set up online retailer Desardo, specializing in quirky and unique design accessories for the home. This didn’t have the same success, with the concept falling flat in the big-brand-loving Middle East market. Undeterred, Chbib pivoted the business model to create Citra Style in 2013, creating made-to-measure Islamic fashion, produced in Dubai and sold globally. This took off, with over \$2 million in annual sales after two years, 95% of which came from the U.S. and UK.

Despite good prospects, Chbib shut down Citra Style in 2015 to focus on Tajawal, although he still part owns it and doesn’t rule out starting it up again in future. “It was a business where I would have made profitability easily and scaled to maybe \$20-30 million in sales, \$2-3 million in profit,” Chbib admits. “But I think a billion-dollar company sounds nicer.”

At the same time as bringing Chbib on board in 2015 to set up Tajawal, Al Tayyar Group purchased existing travel startup, Almosafer. After six months, Chbib took over the technology and the marketing, eventually creating a new Online Business Unit for Al Tayyar, which he heads today, as well as his role as CEO of Tajawal.

Three years later, the focus remains on building a profitable, scalable online business in the Middle East that can cross the billion-dollar mark in or around 2020. But how does Chbib plan to achieve something that has not yet been done?

“We need to learn from our mistakes and make things better; we need to be fast in execution, we need to question ourselves every day,” he says. “We need to be good at fixing things that we see and we need to be good at grabbing opportunities in the market.”

And if that doesn't work? “I'm not here for achieving a billion or personal wealth—truthfully,” smiles Chbib. “If this brand exists, if this business exits 25 years from now and people can say you've done great, this is what counts at the end of the day.”

<https://forbesmiddleeast.com/the-tech-startup-ceo-building-a-billion-dollar-online-travel-business>