



Maqbool Ali Salman, Managing Director, Al Hassan Group

EXECUTIVE SUMMARY



About 35 years ago in 1975, Maqbool bin Ali Salman began his entrepreneurial journey at the age of 22 with the establishment of Al Hassan Electricals, a small company dealing mostly with lighting products. This was his first successful venture founded with the support and guidance of his elder brother Hassan bin Ali Salman. As a young man, Maqbool held the view that pushing oneself out of comfort zone into doing more challenging tasks is the key to learning and growing, and becoming a fully mature and effective leader. A proactive person, Maqbool resigned from his secure job at Petroleum Development Oman after a relatively short time and plunged into the challenging world of business at a time when business opportunities were limited in Oman and his financial strength was not so strong. Maqbool overcame the natural initial inherent resistance that most people have to the idea of leaving the comfort of the known. Fast-forward 35 years to 2010. Today he is among the top echelon of business leaders in Oman and the Gulf region. "It is because of this tendency of not leaving one's comfort zone that "some of us sell out our vision of true independence and creativity for security", concludes Maqbool.



The proactive entrepreneur

MAQBOOL bin Ali Salman made it to the top in Oman's business landscape as an entrepreneur, creating his future and that of hundreds of his employees and partners.

Maqbool is the Founder Managing Director of Al Hassan Group of Companies, a post he has held since 1975. After a brief period with Petroleum Development Oman (PDO), he began his entrepreneurial journey in the business world by selling electrical products in a small retail shop in Muttrah (Oman) in 1975, which has steadily grown to become a prominent corporate house with operations in Dubai and Abu Dhabi, encompassing contracting, trading and manufacturing disciplines.

Maqbool is associated with many prominent Omani organisations. He is the Founder President of Oil Industry Training Board (OITB), founder member of Oman Society for Petroleum Services (OPAL) and Oman Society for Construction Contractors.

He is also a member of Oman Society of Engineers, and an active member of trade associations including Industrial Committee of Oman Chamber of Commerce and Industry (OCCI), Oman-India Businessmen Council and Oman-UAE Businessmen Council. He also serves on the Board of Oman Cables Industry, S.A.O.G.

A native of Oman, Maqbool is a Commerce graduate. Maqbool is a great believer in continuous



Hassan Ali Salman and Maqbool Ali Salman

learning and has attended over thirty courses and seminars on various management topics.

Maqbool's entrepreneurial journey over the last 35 years has been quite exciting and there are many successes to cherish. But looking back at this journey, one outstanding singular success is converting the contracting business from a family related enterprise into a public limited company, and continuously growing it would be his greatest success.

UNLOCKING WORKFORCE'S THOUGHT POTENTIAL

His leadership style is primarily democratic; he is a firm believer in team work and holds that people's power is the key to success in a business organisation. This style appeals to his psyche since Maqbool believes that each employee has the potential to think and contribute. Appreciating and unlocking each individual's thought potential is important for timely execution since the best of ideas lose their essence if execution is delayed. At Al Hassan, he involves every member of the organisation in creating the future together.

HASSAN bin Ali Salman is the chairman of Al Hassan Group since its inception in 1975. A graduate in Economics, he started his career in



Hassan bin Ali Salman,
Chairman, Al Hassan
Group.

the banking sector as a credit officer with Standard Chartered Bank, Doha in 1967. After holding senior positions with the Standard Chartered and Citibank, he joined the Central Bank of Oman in 1975, where he served till 1995, when he retired as Senior Vice President. After an illustrious career spanning almost three decades, Hassan Ali Salman assumed full time Chairmanship of the Al Hassan Group in 1995. Hassan is an active member of the Contractors Committee of the Oman Chamber of Commerce and Industry (OCCI).

THE RENAISSANCE MARCH

The country has made all-round progress by leaps and bounds in all spheres of economy, education, health care, and has developed a world-class urban infrastructure, telecommunication, transportation, solid industrial base, attaining self-sufficiency in meeting the ever growing domestic energy needs, broad-basing its economy from totally oil-dependent to a widely spread out industrial economy with the establishment of oil refineries, petrochemicals and fertiliser plants and other industries such as steel and aluminum.

Above all, there is tremendous progress

in developing Omani talent. Today, you find a breed of Omani CEOs who are running many of the major organisations very successfully, says Maqbool.

With 43 per cent of Oman's population below 15 years and the growing emphasis on developing human resources, it's indeed heartening to note that each successive budget allocates a substantial amount of financial resources to the education sector. In addition, millions of rials are allocated to build new projects each year which goes a long way in creating thousands of jobs for nationals.



PETER Hall is a British citizen with an electrical engineering background and holding an MBA. With more than 25 years of experience in major Engineering, Procurement and

Construction Projects (EPC) he has held various management and senior management positions in major international organizations including ABB, Rolls Royce Power Group, VA Tech and Siemens. More recently before

joining AHEC he has been based in various locations within the Middle East since 1998, with VA Tech and Siemens where he had senior management responsibility for EPC projects as well as services, operations & maintenance contracts in the Power Industry.

Since taking over as CEO of AHEC in April 2008, Peter has implemented a number of business improvement and growth initiatives that have resulted in the successful penetration of the UAE market and taken the company forward in further developing its contracting and EPC business base.

During 2008-09, he put in place a new business management structure at Al Hassan wherein two experienced professionals with decades of experience behind them were appointed as CEOs. Peter Hall was appointed CEO of Contracting Business while Eng. Talal Al Assaad was appointed CEO of Manufacturing & Trading Businesses. The new structure is expected to provide greater customer focus and specialised resources for effectively meeting the customer needs.

“We firmly believe that the development of the

Omani people is the cornerstone of the process of advancement. In 21st Century, the focus is on knowledge skills as human resources are the means and agent of any development”, says Maqbool.

As a major local contracting company in Oman, which was established around 35 years ago, Al Hassan Engineering Co. SAOG (AHEC) have built many power plants, gas processing plants, oil and gas pipelines, water treatment plants singly and in joint venture with international partners.

AHEC can justifiably claim to have constructed the highest number of power generation plants

ENG. Talal, an Electrical Engineer, has over three decades of vivid, enriching, eventful and rewarding experience, holding senior executive level positions with leading multinationals including Sony Corporation, Sumitomo Corporation, NEC Corporation, HP in the Gulf and Arab world. Eng. Talal who holds Canadian citizenship, is fluent in Arabic, French and English. He is always accepting challenging opportunities where achievements were always well marked. He has vast business

network in the Arab Peninsula as well as at international level.

Since taking over as CEO of Manufacturing & Trading SBUs in Sept 2008, Eng. Talal has given a fillip to the business growth by adding a large number of principals and customers within Oman as well as UAE.



both for PDO (Mukhaizna, Qarn Alam Phase-I and II, Hubara and Saih Rawl Power Plants) and non-PDO clients such as Barka IWPP, Sohar Aluminium Smelter Captive Power Plant (1000 MW - largest power plant in Oman).

AHEC also has to its credit being partner with GS Engineering, Korea, in the construction of the three major petrochemicals plants in Oman - Oman Polypropylene Plant, Aromatics Project Oman and Salalah Methanol Plant.

In the area of manufacturing, Al Hassan has focused on providing highly reliable, cost-competitive electrical switchgear products to cater to the demand of local households, utilities and industrial plants and factories. The success in the local market has spurred Al Hassan to establish a new manufacturing unit in Buraimi to cater to the regional export market in addition to its first switchgear factory in Muscat.

Al Hassan also distributes a range of electrical products across Oman through its nationwide

WHAT MAKES A GOOD CEO?

Of course, CEO's leadership role is of prime importance. A good CEO is the one who is able to create rhythm and synergy in the team, take them to the path of peak performance and give them all the credit for the good work that they do, says Maqbool Ali Salman.

dealer network, bringing world-class product and technology to the consumers in Oman at affordable rates.

Above all, Al Hassan believes in "People Power". Hence it has adopted firm policies to attract, train and retain local talent. It has great faith in the youth of Oman and it ensures that they are taken on board, properly trained and given job responsibilities on merit.



Omani Management Trainees with Chairman & MD of Al Hassan Group.

HISTORICAL OVERVIEW

About 35 years ago, when Maqbool opened a small shop in Muttrah, he probably didn't anticipate that it would grow to become one of Oman's most prominent corporate houses. But Maqbool always knew that he wanted to start his own business, and he understood that it would mean starting at the bottom and working up.

"I've always had an entrepreneurial spirit. My father was a small merchant in Muttrah Souq. I had inherited business in my blood".

As he grew up, he nurtured a strong desire to be in business. But he had no cash to begin with. So he needed to find a job to raise start-up capital required for making his business dream come true. Soon after completing his graduation in commerce, Maqbool landed a job with Petroleum Development Oman in 1975, allowing him to earn money as well as learning solid, tried and tested techniques on such business basics as goal setting, customer care, networking and market study.

"I figured that I wasn't just going to walk into my dream business, but that if I could accumulate a little saving I felt sure I would be able to branch out on my own".

As a young man, Maqbool believed that the biggest risk in the world is not taking any risks. His ethos was that pushing yourself out of your comfort zone into doing more challenging tasks is the key to learning and growing, becoming a fully mature, fully functioning and effective entrepreneur.

That explains why he took the risk of quitting the secure PDO job to plunge into the challenging world of business and that too at a time when business opportunities were limited in Oman and his financial strength was not so strong. People have an inherent resistance to the idea of leaving the comfort of the known and it is because of this tendency that "some of us sell out our vision of true independence and creativity for security".

The young Maqbool also believed strongly that "we must create businesses which are reflections of ourselves because only then one gets an opportunity for truly wonderful self-expression". He wanted to create a business not in shadow but in light, that gives him choice and supports what he stood for in life.

From this line of thinking emerged the idea of selling "Noor" (light) to people, something that costs very little but enlightens and brightens people's lives. "This is how I decided I had hit upon my niche,"

he recalls. "Selling 'Noor' is indeed a wonderful thought; it will be a good start and a good omen to begin your entrepreneurial life", his friends commented.

To this end, Maqbool pooled resources and also approached his elder brother, Hassan Ali Salman, for participating in a joint venture that had the potential of growing in the future. Hassan, who had just joined the Central Bank of Oman following 17 years of service in Qatar with Standard Chartered Bank and Citibank, agreed to support his ventures. Thus, Al Hassan Electricals, a small company dealing mostly with lighting products, was born in

To unlock people's creativity, the leader builds an honest and appreciative atmosphere. The leader inspires others, inspires himself, and looks for things that inspire him.

1975. This was the first successful venture founded by Maqbool at the age of 22 with the support and guidance of Hassan Ali Salman.

BUILDING THE BUSINESS

Before long, however, Maqbool realised that surviving start-up is only the first stage of creating a successful business venture. “Next, you need to focus on how to manage and grow it by sizing up current status, identifying your aspirations, and determining your business’s potential”. Maqbool started exploring ways to increase Al Hassan’s sales revenue, and determine if it was time to staff up, relocate, and expand business operations.

In the meantime, following the accession to the throne of His Majesty Sultan Qaboos bin Said in 1970 and the greater growth of the national economy that followed, the demand for electrical products increased rapidly. This prompted Maqbool to open a showroom in Al Hamriya in 1978. However, he had to overcome many daunting challenges in order to grow the business further and to strengthen its base for future growth.

“I remember when we started the showroom, for two days there was absolutely no sale at all. On the third day we got a sale of RO 8. That was a great day. Everyone was happy and immediately we gave something in charity”. From then onwards, the showroom witnessed a steady growth in sales.

TRADING BUSINESS

Today, Al Hassan’s trading business has grown by leaps and bounds. From one showroom in Al Hamriya it has grown to become a network of six own showrooms (five in Muscat and sixth at Buraimi) and 400+ dealers serviced from its warehouses by its own fleet of vehicles.

Apart from retail business, the trading business

has a Project Solutions Division that specialises in supply of power generation and T&D equipment.

Lighting, the initial business, has taken on new format with a specialised lighting division which provides industrial and project lighting solutions.

Apart from marketing electricals, lighting and building construction products, Maqbool has established a specialised company called Hi-Tech Services & Supplies which caters to the requirements of the Oil & Gas, Water and Wastewater sectors ranging from bulk materials, e.g., pipes, pipe fittings and valves to engineered products, such as pumps and data control systems.

DIVERSIFYING TO CONTRACTING

By early 80s, the Salmans realised that they were doing quite well in the area of electrical products and in order to grow further the company needed to go in for a new direction.

Maqbool set out to expand and diversify around the core business of the company, dealing with the same clientele and entailing only a marginal increase of effort. Because his business involved selling electrical products like cables, wires, sockets, pipes and switches to contractors. He decided to undertake contracting activities as well. It was a kind of forward integration that involved more or less the same clientele.

In contracting, he started off with house wiring, transmission line projects including transformers, cables, conductors and poles and other outdoor works for ministries. “From the business of supplies we extended our activities into contracting and it paid off”. As the business grew, “the basic principle that one has to be honest, ethical and provide the customer with more than he expects held good. In fact, quality, good customer relationships and hard work paid off.”

CONTRACTING BUSINESS

Al Hassan Engineering Co. SAOG (AHEC), a publicly listed company on Muscat Securities Market, is a major EPC contracting and construction company, offering the complete range of civil and structural, mechanical and piping, electrical and instrumentation services.

AHEC, an ISO 9001:2008 certified organisation, has strong and unique position in Oil & Gas, Petrochemicals, Power (Generation and T&D), Water & Wastewater Management and

Pipelines with excellent HSE & Quality standards and records. It has its own fabrication facility with ASME "S" & "U" Stamps Accreditation. AHEC was selected in the Top 4 GCC Contractors for 2009 by Construction Week magazine. In 2009, AHEC was ranked at No. 16 in the Oman Economic Review Top 20 List. This was a well appreciated improvement on its 2008 position of No. 20. Currently, AHEC is executing a number of high value projects which are at various stages of construction. In Oman's Oil and Gas sector, AHEC is executing Nimr-C Full Field Water

MILESTONES

2010 Secures maiden order in Abu Dhabi for GASCO ASAB-3 Civil works from Technip.

Al Hassan Switchgear nominated No. 1 brand in its category and as No. 10 amongst the top 130 international and regional brands in Oman in Oman Observer 2010 Brand Survey.

Al Hassan Website wins 1st Prize in Corporate Category – Pan Arab Web Awards

2009 Amongst Top 4 GCC Contractors by Construction Week.

Amongst Top 20 Listed Companies on Muscat Securities Market.

Establishes new switchgear manufacturing facility at Buraimi

2008 Amongst Top 20 Listed Companies on Muscat Securities Market.

Receives maiden order in Dubai for DEWA Sub-station Civil works from Siemens.

Obtains ASME "S" & "U" Stamps for fabrication of pressure vessels.

2007 Wins Best Small Project of the Year for Shams Gas Condensate by Construction Week

2006 Wins His Majesty Shield for the Best Factory for the Year 2006

Amongst Top 20 Listed Companies on Muscat Securities Market.

Opens fifth showroom at Al Khodh, Muscat.

2005 Wins Best Project Award for Saih Nihayada Gas Treatment Plant by PDO & Construction Week.

2000 Starts JV with Asian Paints to start Asian Paints Middle East LLC.

Wins His Majesty Cup for the Best Factory for the Year 2000.

1998 Lists Contracting Business on Muscat Securities Market.

1992 Establishes Assembly Workshop for Electrical Switchgear and Control Panels.

1982 Establishes Al Hassan Trading & Contracting Company.

1975 Starts as a Retail Shop for Electrical Products.

Injection Project for PDO on EPC basis and PDO Kauther Gas Depletion Compression Project for Petrofac E&C.

It has recently been awarded Temporary Facilities, Civil, Building Works and 132 kV Overhead Line Works with SCADA for the PDO Saih Nihayada Depletion Compression Project by the main contractor GS E&C from South Korea.

In the power sector, AHEC is executing the PDO Amal Power Plant Project on an EPC basis and providing Erection Services for a 60 MW Cogeneration Plant for Hirbodan/ORPC.

In the wastewater treatment Sector, AHEC is executing Civil Works for the Haya Water A'Seeb Waste Water Project for the main contractor Hyundai – Rotem from South Korea.

In the UAE, AHEC is executing civil works for the Dubai Electricity and Water Authority 400/132kV Substation at Dubailand-2 for the main contractor Siemens. It has been recently awarded Civil & Building Works for GASCO's ASAB-3 Project by Technip.

MANUFACTURING BUSINESS

At a later stage, Maqbool noticed that the government of Oman was encouraging entrepreneurs to go in for manufacturing activity because a strong manufacturing sector is a vital and integral part of the economy. He decided he would start manufacturing around the core activity of electrical business. "We had a number of businesses operating around the core business of electrical products". This time Maqbool wanted to introduce backward integration in the company aimed at reducing dependency on overseas supply chains and thus reducing input costs.

In 1992, he founded Al Hassan Switchgear Manufacturing Co LLC, which made electrical panels that he had been importing from overseas and selling in the local market. "We knew that because of Oman's hot climate, items coming



General Construction Works for Sohar Aromatics Projects.

from Europe quickly started to rust". The manufacturing of electrical panels has proved to be a big success.

Al Hassan Switchgear has evolved to command the largest market share in Oman with manufacturing facilities at Muscat and Buraimi, covering an area of 60,000 square metres. Al Hassan is one of the few full fledged manufacturers in the Middle East with capabilities from product design, system design, fabrication, manufacturing and testing all under one roof.

Al Hassan Switchgear believes in strict adherence to total quality management and has well established quality systems as per ISO 9001:2008 certification. Al Hassan Switchgear is one of the few companies in Middle East to have KEMA KEUR certificate implying Skill, Competency & Facilities to deliver products with same quality level on a continuous basis.

Al Hassan Switchgear follows stringent quality control measures, as its products are type tested and certified by leading international accreditation agencies including Dutch KEMA, British ASTA, American UL and Indian CPRI.

In addition to the domestic market, Al Hassan Switchgear caters to customers in Qatar, UAE, Bahrain and Jordan. Al Hassan Switchgear has been voted as No. 1 brand in Switchgear Category



Maqbool Ali Salman with Hassan bin Ali Salman at HM Cup for the Best Factories — 2000

and as No. 10 amongst the top 130 international and regional brands in Oman in Oman Observer 2010 Brand Survey.

STRATEGY

Maqbool's integrity and farsightedness has been a key to great success in business. He always made sure that each deal he made was a win-win situation for both or all parties involved. "If it isn't, it will not work in the long term". He developed strategic relationships with long-term growth potential rather than pursuing get-rich-quick opportunities.

Citing an example, he talks about the Burhan-Harmal Pipeline Project, "For operational reasons PDO requested that "we accelerate the completion of the project. Working together in very close collaboration, we were able to safely complete

the project four months ahead of schedule."

His eye is always on the future, which is one of the reasons that allowed him to partner with Asian Paints for starting a manufacturing plant in the Middle East. The Asian Paints (Middle East LLC) operating under the brand name Berger Paints, a joint venture between the two, has been a thriving business ever since its inception in early 2000. In fact, Berger Paints has been chosen in the Top 50 Most Influential Construction Suppliers in the GCC by the Construction Week for 2010.

Growing up alongside Oman's Renaissance, Maqbool's far-sighted vision and integrity has catapulted him to great success. His real edge comes from his having remained committed to the core business activity of electricals and the habit of always keeping an eye on future trends in order to figure out what should be the next move in view of new opportunities that the Renaissance has made possible.

THE FUTURE

Al Hassan Group will focus its attention on development and growth in the energy sector of its business – power, oil, gas and petrochemicals and water.

The Group will also continue with its expansion into the adjacent UAE market within its core business sectors. With the current investment shift by the Government in infrastructure projects, Al Hassan is considering realigning itself with this shift and to expand its activities in this sector so as to effectively sustain its position in the market.

Government of Oman has continued with its privatisation policy and continues to award concessions in Oil & Gas areas to international oil firms. In fact, the Ministry of Oil and Gas is planning to offer a further 11 blocks for exploration and development through a competitive licensing round in 2010.

ADVICE TO YOUNG ENTREPRENEURS

Here are some tips that Maqbool says he practices every day to stay committed to his ventures and to stay motivated. By motivated, he means waking up and can't wait to work on the tasks that he needs to complete for the day.

Take Time to Relax

The quality of work that you produce when you are awake and aware is always better than the work delivered when your body is tired.

Free up some slots in your busy schedule for your hobbies or things that you enjoy doing (other than your business venture). For me, it is reading books, gardening and swimming. I do get some inspiration and ideas out of those moments.

Set Deadlines for Tasks

When inserting items into your to-do list, always make sure that you attach a deadline to them and don't postpone it!

Talk to Entrepreneurial Connections

Entrepreneurs understand entrepreneurs. When you need the right inspiration, talk to someone like-minded, an entrepreneur (even an aspiring one) or a business owner. Through different ways, these people inspire you to take action or might give you ideas that you have never thought of before.

Brainstorm for Ideas

If you're faced with a problem whereby conventional solution will not work, try brainstorming for ideas. By opening yourself up to ideas instead of focusing on the one solution that wouldn't work, you are able to kick the annoying frustration away!

Absorb ideas that come to you but don't let them sit. Go through your compilation, filter them and most importantly, IMPLEMENT them.

In recent years, the Government has signed exploration and production sharing agreements with energy majors such as Oxy, BP, Tethys Oil, etc., some of which have started making initial investments and commenced operational activities. This will generate further business in this sector as well as associated sectors in the coming years. Apart from these, due to depletion of producing well pressures, many compression projects are expected to emerge to sustain the present production levels.

Since, there is no interconnecting transmission grid in existence in Oman, private operators in remote areas are facing a continuous shortage

of power. In order to overcome this, various new power plants are being planned, examples include, PDO (Kawther), Occidental (Mukhaizna) and Daleel Petroleum (Ibri).

In the neighbouring UAE market, the investments will continue to be made in Oil & Gas sector to maintain the production levels as well as to support already announced downstream projects.

BROAD TRENDS

Oman has certainly seen an increase in the number of international competitors entering its

markets. This is predominantly due to international markets being affected by the economic downturn. Oman has continued to be resilient and has become quite attractive to international companies and the number of bidders for every project has increased substantially. "However, thanks to our good reputation, experience and various business initiatives, we are confident that we will be able to continue and build on our success in our chosen markets", says Maqbool.

In order to sustain the production level both for Oil & Gas, the industry is expected to continue to make steady and significant investments especially in the areas of Enhanced Oil Recovery (EOR) related projects and gas compression projects. Al Hassan has already won two major construction sub-contracts in two such projects (Kauther/Saih Nihayada). "We, therefore, believe that we are well positioned to acquire a significant share of this market in the future".

Due to increased industrial activity in Oil & Gas sector in the UAE, it is expected that additional investments will be made both in the power generation and electrical transmission and distribution industry. With the experience gained in the successful execution of Dubailand project for Siemens/Dubai Electricity and Water Authority, Al Hassan is confident of securing more such jobs in this market as well. In fact, Al Hassan has got its maiden order in Abu Dhabi Oil & Gas sector for GASCO's ASAB-3 Project in April 2010 from Technip.

COMPANY FACTS

AL HASSAN GROUP

Founded in:	1975
Total employees:	5000
No. of Group Cos:	10 companies and one joint venture with Asian Paints India Ltd
Chairman:	Hassan Ali Salman
Vice Chairman & MD:	Maqbool bin Ali Salman
CEO AHEC:	Peter Hall
CEO Trading & Manufacturing SBUs:	Talal Al Assaad
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