

History Under Construction

The Al Harbi Family Business

INTERVIEW WITH FAYEZ AL HARBI,
Managing Director of Al Harbi Holding, KSA

Third generation Saudi family business Al Harbi Holding was founded in 1965 and has since evolved from a construction company into a diversified conglomerate, which is currently managed and owned by the Al Harbi family members. From airports, highways, bridges and complex concrete structures to residential buildings, the family business has engaged in crucial projects furthering the Kingdom's infrastructural growth. In an interview with Fayez Al Harbi, Managing Director of Al Harbi Holding, Tharawat magazine discovers how this family business is building its competitive advantage on a fast growing economy.

When did you join the family business and what were your reasons to do so?

I officially joined the company way back in 1996. Prior to that, I went through several on-the-job trainings within the company during my summer vacations. I started doing various jobs in several departments in order to become familiar with the system and the in-and-outs of the business. I went through all of these experiences under the tutelage and scrutiny of my father and the supervision of department heads.

My father Abdullah Al Harbi, the founder of Al Harbi Trading & Contracting Company, instilled into our young minds that any endeavour becomes easy to achieve through hard work, dedication, and cooperation of all family members. With that moral lesson in mind, we felt it our obligation as his sons to join the family business and develop it into a bigger and stronger company. Now, the family business is not only at the forefront of the construction



industry in the Kingdom but also evolved into Al Harbi Holding.

How many generations of your family are currently involved in the business?

As of now, there are three Al Harbi generations that are involved in the family business. My father, currently the Chairman of Al Harbi Holding, belongs to the first generation. He is still active in managing the family business especially when it comes to crucial decision-making.

We work closely together in order to achieve our goals, which is to maintain our company's strong presence in all the regions of the Kingdom and abroad.



My brothers and I, the second generation, are currently the heads of the different divisions of our company. We work closely together in order to achieve our goals, which is to maintain our company's strong presence in all the regions of the Kingdom and abroad.

The third generation until now is composed of my two nephews and we expect more members to join in the near future. Currently, my two



nephews are developing their careers in various departments of the company in order to master the business. As they gain more knowledge and experience, they will be stepping up the hierarchy ladder and will be continuing the legacy in the future.

What do you believe has been the core ingredients to the success of your family business so far?

I believe that the core ingredient to the success of our business has been to provide complete satisfaction to our customers. We were able to achieve this by working closely with our clients and by identifying their needs. We are now able to plan and execute the specifications they set efficiently and turn-over the projects on the required date.

Being able to meet our clients' expectations, we gained their trust, confidence, and loyalty. Accordingly, it enabled us to sustain and expand our business, ensure a return of investments for our stakeholders, and secure a firm hold on our market share.

You have witnessed a great transformation in the infrastructure of your country and have contributed to numerous key projects bringing this change about. How do you identify opportunities for your business and how do you assess risk?

Under the leadership of The Custodian of the Two Holy Mosques, King Abdullah bin Abdul Aziz Al Saud, Saudi Arabia is undergoing a rapid transition from petroleum dependence to a diversified economy. The government is encouraging private sector growth in

terms of commerce and industries to lessen the Kingdom's reliance on oil and increase employment opportunities for the Saudi population. Due to this transition, the country is experiencing a phenomenal growth especially in the construction sector whereas the rest of the world including some Gulf countries are still recovering from the latest financial crisis. Proof of that are numerous high-profile projects that have been handed over to different contractors all over the Kingdom including us.

As new businesses are being established and existing companies expand, we identified numerous opportunities our company could exploit. We will be able to continue providing construction services, supply quality made construction materials, and offer other related services to prospective clients. As a whole, our company can provide the total solution package for our potential customers.

In order to assess and mitigate risks, we spend countless hours to budget and time schedule planning. We also employed the services of well-known international consultants for their technical expertise. Our staff was rigorously selected and most importantly of all, our company carried-out numerous feasibility studies before commencing any business venture in order for us to be cognizant of the emerging market trends and identify lucrative markets we could venture into.

Can you describe to us how each generation of your family has contributed to the growth of your family business?

The first generation of our family focused mainly on contracting work and trading of



The Al Harbis at a digging site

construction materials. This generation played a key role in the development of the Kingdom's infrastructure starting from construction of road/highway networks and utilities not only in the major cities but also to far away regions of the country. They were also involved in constructing facilities for the different government ministries of Interior, Health, Education, Defence and Aviation, and etc. Later on, they also ventured into food and beverage and the highly lucrative mining industries. In fact, we are proud to mention that our Saudi

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Marble and Granite Company is one of the pioneers in the Kingdom. S.M.G. was able to manufacture and supply architectural finishing for many iconic local edifices and later on, abroad for high-profile projects like Dubai International Airport and for the currently tallest building in the world, Burj Khalifa.

In spite all of these mentioned successes. I still consider the good relationship established between the first generation and our loyal clients as their most notable contribution that led to the growth of our family business.

The second generation brought more diversity to the services and products our company could offer by introducing technological advancement and innovative solutions for our clients to choose from. We still maintain our contracting business for buildings and road/bridge networks for the mentioned ministries but we also expanded to more complex and highly-technical construction works such as the micro-tunnelling contract for National Water Company in Jeddah with a depth of 60m and pipe inner diameter of 3500mm, so far the largest and deepest sewage network in the Kingdom. Moreover, construction of pumping stations for the Royal Commissions

in Yanbu and Jubail are also considered the largest in the region. Wajhat, our new Glass and Aluminum Company, also supplies aluminium claddings for the new extension at King AbdulAziz International Airport.

Furthermore, we are also involved in information technology through our Tafel Information Technology Company by providing customised infrastructure and applications for small or big business enterprises. Last but not the least, our generation has ventured to other highly profitable markets including real estate, mining, industrial and education technology as well.

Your family business operates in the construction industry in a fast growing environment. What do you do to make your family business an attractive career prospect for the next generation?

In general, the current trend for the next generation is to acquire management and leadership skills through their education and avoid relying only on the traditional university degrees so that they are prepared to work in a tough environment such as the construction business. We encourage our new family members to start their careers first outside the company in order for them to develop their working habits, acquire additional skills and experience different company cultures.

Later on, we can offer them job positions with opportunities for career development that come with intensive training. Since we are also currently expanding our business portfolio internationally, there will be a possibility for work abroad and to experience business cultures in other countries as well. Moreover, if they

show capability, dependability and a positive attitude, there will be a fair chance for them to lead one of our companies in the future. We are confident this strategy makes our family business an attractive career prospect for the new generation.

What do you feel will be the strategic direction your family business will take in the future and is internationalisation a part of it?

I am confident that the Kingdom will be experiencing a positive economic growth in the near future. This will be coupled with the rapid increase of the Saudi population due to the output of the numerous financial, economic and industrial cities the government is developing all over the country right now. A result of this anticipated economic growth will be more business opportunities for our company to undertake. I can foresee that we will be playing a key role in the future development of our country by winning numerous contracts from the private and government sectors due to our long experience and knowledge the construction industry.

Currently, we have several new companies that are based in the MENA region and Europe. Notably, we already established our foothold in Milan, Italy and Prague, Czech Republic. Our ultimate goal is to strengthen the brand name we carry and carve a niche in its target market as part of our internationalisation strategy. Once we are confident that these new divisions will be growing and sustainable, it is time for us to go back to the drawing board and study the feasibility of our company to diversify further and venture into new markets. ◆

