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Agthia and MCE: Cultivating Future Executives

AMA Global's Management Centre Europe spoke with His Excellency Tariq Al Wahedi, 46, CEO of Agthia, a leading United Arab Emirates food and beverage company based in Abu Dhabi, about his career path and how working with MCE has benefited the training of Agthia's executives.

Who is the man in the driver's seat of Agthia? What is your business background?

Tariq Al Wahedi: I am an engineer who graduated from Tulsa University in Oklahoma. I started my career as a technical engineer in the Abu Dhabi Basic Industries Corp. and slowly moved into management roles in the oil and gas industries, moving up into managing projects. Then I moved to Senaat, the government holding company that owns 51% of Agthia, in 2006. Senaat acts as the main industrial arm of the Abu Dhabi government. The idea was to strategically develop basic industries, then move later into the secondary and tertiary sectors. Today Senaat has many verticals, such as cement, steel, metals, oil, and gas. As a holding company, Senaat is worth \$8 billion on the top line and has a similar value in assets.

In Senaat, my responsibilities were diverse, but due to the wide range of activities under Senaat's umbrella, I was able to utilize this multidisciplinary approach in my career at Agthia. So I've been in a position to be involved in the

industrial sector in total. I've seen the challenges in each sector and had a direct experience of the supply and demand cycle in each.

I joined Agthia in September 2015 as chief operating officer leading the manufacturing and supply chain operations of the group. In November 2016, I was appointed as acting executive vice president of agribusiness in addition to my COO responsibilities, before I was appointed CEO in July 2017.

As an engineer by education, I've been able to apply my technical mindset and attention to detail to my role at Agthia—it's this calculated, fact-based approach that has contributed towards my role.

I have always been passionate about positively impacting my community, and with Agthia, I've been able to make a difference to thousands, if not millions, of consumers.

During my career, I did my executive MBA at the Kellogg business school at Northwestern University on a program split between the U.S., Hong Kong, and Germany. I did a

week every month from 2011 to 2013...quite a bit was in Hong Kong. Kellogg is particularly well known for its marketing specialization. I wanted to expand my network, so I picked a program that was mainly based in Hong Kong, as we were doing lots of projects in China. It was a good opportunity to meet colleagues in other companies, then translate the ways in which we operated into a style more oriented towards process (just like any MBA).

Can you share with us the history of Agthia and how it has grown under your leadership?

TAW: The company was established in 1978 under the name Flour Mills and Animal Feed Company as Sheikh Zayed's personal food security initiative. In 1990, a water company, Al Ain Mineral Water Company, was added to secure a source of water for the nation. Grand Mills and Al Ain Mineral Water Company became the main building blocks for Agthia. In 2004, Agthia, under its current name, was established as a leading Abu Dhabi-based F&B group, headquartered in the UAE and listed on the Abu Dhabi Securities Exchange (ADX). Since then we have been consistently building our market share in the UAE and have been acquiring operations in other countries in the region.

The first step for us was to expand in Egypt and open a factory. Turkey was next. Since 2015, we have opened plants in Saudi Arabia, Oman, and Kuwait. Recently, we have started manufacturing in Iraq as well.

Our market cap is now about \$800 million.

What are the particular highlights in your career? Can you elaborate about any deals in which you've been involved?

TAW: There have been lots of highs and lows: it's been an ongoing cycle.

Reflecting on Agthia, it is now one of the largest companies in the UAE and the Gulf, and is expanding fast. That experience has been really interesting for me. I come from the industrial sector, and so it is a great challenge to experience the fast-moving consumer goods (FMCG) more closely. This industry reacts differently to the market.

Since 2015, the company has gone through a major transformation, since it stopped receiving subsidies. We managed to keep our market share while we coped with that change and turned around some underperforming businesses. It was a mix of managing growth and change at the same time. We had to make sure that the company could protect and grow its market share.

What inspires you as the CEO of Agthia? Are there any role models or methods that you keep in mind when making decisions?

TAW: The No. 1 inspiration was the potential I saw in the

company, seeing what it could do and what it could become. I was looking to infuse more vision to the company.

The biggest inspiration for me was the innovation side of the business. It has become a significant story for us, as we have shown that we are able to compete with several innovations that have become winners in the market. Today we are filing patents and have our own unique products that compete against major players.

So what inspires me? It is when we can drive innovation as new products for the consumer. It's a really exciting time. You always keep your eyes open on where the consumer is heading and what they are looking for, then you push your R&D team to capture that opportunity.

What are some examples of those kinds of innovation?

TAW: Al Ain ZERO, our zero-sodium water, has become a big success for us. It has now captured a market share of 5%.

We are patenting a process to add Vitamin D to water without the need for any other kind of additives—Al Ain Vitamin D has no flavors, colors, or preservatives. This means you can hydrate and get your Vitamin D without any unnecessary additives or preservatives. We are in the process of patenting our technique for preserving Vitamin D through the shelf life of the product. Normally, when Vitamin D is exposed to light or water, it just loses its value. The technology we are patenting preserves Vitamin D.

From that, we've built another innovation, where we've added Vitamin D to flour with the launch of our Grand Mills Vitamin D flour. So we are offering flour fortified with Vitamin D, with 100 grams giving you your daily dose of Vitamin D. So flour has become healthy again.

Who are your role models in innovation and leadership?

TAW: I was inspired by the founding father of the UAE, Sheikh Zayed bin Sultan Al Nahyan, whose vision and insight has given us so much.

I am also inspired by Sheikh Mohammed bin Rashid Al Maktoum, the ruler of Dubai, who managed to make Dubai one of the most successful cities in the world in a matter of a few years.

These guys have really big visions of where success can come from.

As CEO of Agthia, how do you see the position of your company today and in the future? What is the vision for the company now? Where would you like to get to?

TAW: Our vision is to be the first choice for supplying quality products to the consumers. Everything we do here is to support healthy living. We are focusing on continuing our expansion and protecting our market share.



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Today, we are the leading player in many of the categories, such as flour, water, and animal feed, in the countries where we operate. Saudi Arabia is a major target for our expansion and Egypt is becoming interesting too.

As it operates within a highly competitive business environment, how is Agthia striving to lead its competitors? Do you see yourself as a regional player, or are you looking to compete against Coca Cola and Nestlé as well?

TAW: We try to benchmark ourselves against the multinationals, although we are regional and they are global. We are a regional player and we consider ourselves a pan-Arab company that has grown itself in the food and beverage arena. We benchmark ourselves against multinationals and aspire to one day become one. Today we are manufacturing in seven countries and exporting to 37.

How did you come to the vision to focus on developing the future leadership talent within your company? What were the goals that you set and how did you want to achieve them?

TAW: It all comes from changing the mindset within the company. We now want everyone to act and behave as an

owner of the company. They then feel as if they're personally invested, and levels of accountability start to hit the roof. It goes back to our culture and values. Since becoming CEO, I've really focused on this sense of ownership, because it leads to higher levels of motivation and engagement. It also leads to lower levels of inefficiency. Where we are today comes from the success of the whole team.

With this vision, you have selected Management Centre Europe (MCE) to work with your team and build a fully customized development program for future leaders. Why did you choose to go with MCE rather than anyone else?

TAW: It was a decision driven by the human capital team who went through an exercise of weighing all our criteria against other providers. MCE's programs and skills were just how we saw ourselves engaging our employees. The company currently has a workforce of 4,500 employees and a human capital team of 80.

How did Agthia develop the solution with Management Centre Europe?

TAW: It's crucial for us to enhance the skills and capabilities of our employees on multiple levels, whether as new



Environment



Food Safety & Food Security



People



Health & Wellness

entrants, midcareer, or for senior management. It's now a big focus for the human capital team that we have developed. So we are running proper training programs for our junior employees, senior execs, and the same goes for management. We are also focusing on enhancing the skills of our sales team members who represent us in the market. We totally believe in training and growing our competencies.

What are the key learning priorities?

TAW: The priorities for me are setting the tone and changing the culture in line with what is happening in the market. All of us have to be agile and quick. We all take responsibility as leaders.

To get there, you have to train people and enhance their skills. Our aim is to develop a program that can enhance several skills, not just one. Specialization is important, of course, but everyone should have more than one skill, so they should be able to understand strategy, basic finance, and project management, as well as what their colleagues in the next office are doing. A program like the CEP (Career Enhancement Program) is crucial to enhance the skill of our employees, especially the younger ones. We are seeing some great results that are now coming out of the CEP graduates.

How did the initiative go? What did the participants get out of it? How did you measure those results?

TAW: For me, the measurement is when I see the graduates of these programs exercising more accountability and taking more of a leading role. You see them engaging in projects that are becoming more successful and leading them. We now have many graduates from the CEP program who are taking their first management positions. It is my duty to make sure that we have the next generation of talent ready to take on senior roles.

How does the team feel about having access to such programs? With the buildup to the graduate ceremony for the Advanced Career Enhancement Program, what is the impact that you have seen on graduates?

TAW: We are seeing several of those CEP graduates in

marketing and in finance. A good chunk of them are really starting to shine. Their skills are really coming out. They are becoming more vocal and taking more of a leading role. It's exciting to see.

What about the impact on mid- and senior-level executives?

TAW: It is mainly happening at the mid-level and it has put them on a good career path for the next 10 or so years, as they continue to escalate up through the organization.

What do you think will be the impact of the development going into the future? How do you consider learning development for Agthia? What is the next set of learning challenges for Agthia? How do you see your priorities in the future?

TAW: For our growth, it is really important to communicate the values of the company wherever we go. When we make acquisitions in other countries, we notice that the people we hire don't necessarily share the same values and culture. They don't have the skills to operate as an experienced Agthia employee. Our biggest task is to cascade our culture and values to the countries where we are now operating, such as Kuwait.

Moving into the future, what do you think would be the next big challenges for Agthia and its talents?

TAW: A program such as the CEP has a key role to play in developing the skills of our employees. It is quite easy to expand into many countries, but if the culture is not the same, that is when you start having problems.

We thank you for your valued time. Do you have any feedback from the participants on how they've found the experience?

TAW: We have had lots of comments about how they've benefited from those programs. The only negative was around the timing. From my perspective, the program is delivering its objectives. [AQ](#)