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The 2010 Saudi Fast Growth 100 Porter Prize

Riyadh-based Telecom company Qanawat Takes the Coveted Prize

Riyadh, Saudi Arabia, January 25, 2010 at 8:00 PM...The Porter Prize was established to recognize a company that competes in a distinctive way or has a unique growth strategy. All Saudi Fast Growth 100 companies, 4 years and older, are eligible for the prize. This year, the winner of the Saudi Fast Growth 100 Porter Prize is Qanawat.

In four years, CEO Dr. Mohammed Bahabri has grown Qanawat into the fastest-growing telecom distribution company in the Kingdom with revenues of 1.6 SAR. Such exceptional growth comes from a unique competitive strategy.

Qanawat set out to build the largest distribution system and retail network in telecom operator products and services in Saudi Arabia. The products and services include post paid and pre-paid subscriptions, recharge cards, and data connect device and services. These products are sold through dealers and resellers.

To get into the market, Qanawat took an unusual approach. They surveyed telecom dealers and resellers, from mobile stores to supermarkets, to understand the problems they confronted in selling mobile services. Qanawat built their system to solve these problems, such as inventory management and returns by customers. With such a focus, right away they became a provider of choice and Qanawat continues to motivated dealers and resellers by sharing profits with them.

Next they sought to capture markets few competitors were interested in – remote Saudi areas. In remote areas, they had to build distribution systems from the ground up, including building their own warehouses. But once there, the cost to other competitors became too great to enter the market. Remote areas now account for 40% of Qanawat's revenue.

Along with Mobily, they bid for the second Saudi telecom license. Mobily won the telecom license to sell talk and data time. While a blow to Qanawat, their distribution channel would prove appealing to Mobily and Qanawat became their main distribution arm, including operating many of the Mobily stores.

Being in the distribution business, they got to know customers. What Qanawat saw is that all the telecom operators and distributors sold commodity products to customers. With the global explosion of mobile value added services (VAS), millions of people are

starting to use their phones to access information, TV, banking, tickets, and just about anything else.

Qanawat decided to segment the market and bundle these type of content services based on very specific needs. Late in 2010, they will offer bundled mobile services to segments such as teachers, football nuts, and those in the military. For example, teachers will be able to access school schedules, course materials, and will be able to speak to each other for free.

Qanawat believes there is an enormous market in mobile services designed for customer segments, and they have the distribution channel to test this out.

Editor's Notes:

Winners are ranked according to their revenue performance between 2004 and 2008. The company with the largest percentage increase in revenue secures the #1 spot on the list. The #2 company has the second best results, and so forth.

The selection criteria are based on international standards of competitiveness originally developed by Inc. Magazine to create the Inc. 500. The criteria are as follows:

- (a) Applicants must be privately held, for-profit, independent businesses. (In this case, independent means that a company is not a subsidiary or a division of a larger company with other revenue-generating operations.*
- (b) Must not be a publicly traded company, non-profit, holding company, franchise, bank or utility company. Private companies established by government or where government is a majority stakeholder are also not eligible.*
- (c) Applicant companies must be based in Saudi Arabia.*
- (d) Have 8 or more full-time employees in 2008.*
- (e) Have generated revenue of at least 400,000 SAR in 2004.*
- (f) Have generated revenue of at least 4 million SAR in 2008.*
- (g) Applicants must provide audited financial statements to verify their revenue (turn over) numbers.*

The winning companies are divided into two categories:

(1) Saudi Fast Growth 100: Companies five years old or older with a proven track record of growth. They are ranked on the percentage increase of their annual revenue/turn over between 2004 and 2008.

(2) Saudi Fast Growth 100 Start-Ups: Companies less than five years old but with a profile that, other than longevity, would qualify them as candidates for the Saudi Fast Growth 100 list. They are ranked on the percentage increase of their annual revenue/turn over from 2007 to the end of 2008.

The Saudi Fast Growth 100 Founding Partners

About SAGIA

SAGIA, the Saudi Arabian General Investment Authority, was established in 2000 as part of the new foreign investment law in Saudi Arabia. Its purpose is to attract investment to Saudi Arabia and more recently its mandate has evolved to encompass the enhancement of the Kingdom's overall competitiveness.

SAGIA plans to attract sufficient investment to achieve rapid and sustainable economic growth in Saudi Arabia, capitalizing on the Kingdom's competitive strengths as the global capital of energy and as a major hub between East and West.

It aims to position Saudi Arabia among the top ten most competitive nations by 2010 through the creation of a pro-business environment, a knowledge-based society, and by developing new, world-class 'Economic Cities'.

The NCC

The National Competitiveness Center (NCC) was established by SAGIA in 2006 to act as an independent body to monitor, assess and support the enhancement of competitiveness in the Kingdom of Saudi Arabia. The NCC fully supports SAGIA's 10x10 campaign to make Saudi Arabia one of the top 10 most competitive countries in the world by 2010 and is heavily involved in helping SAGIA to reach this goal. The NCC fulfills its role by serving as a think tank, facilitator and communicator of change. The NCC fulfills this role in three ways:

First, it serves as a think tank for change by conducting and developing competitive assessments and monitoring the implementation and results of change programs. The NCC's programs focus primarily on improving the ease of doing business within the Kingdom, through spurring modernization of the general business environment. Second, it works as a facilitator of change by creating forums for discussion in the public and private sectors. The NCC annually coordinates with SAGIA to help organize the Global Competitiveness Forum. Finally, it acts as a communicator for change, sharing success stories and generating momentum for the Kingdom's ongoing competitiveness efforts. The NCC seeks to educate the government, private sector and general public on the importance of national competitiveness, through such channels as its competitiveness driven initiatives, that seek to embed, encourage & recognize competitive behavior across private & public sectors. In addition, its Competitiveness Reviews, competitiveness bulletins, speaking engagements, and its website all serve to bring to the forefront the latest in competitiveness based thought.

About AlWatan

In less than a decade, Al-Watan Saudi Daily grew to become one of the leading Saudi newspapers with readership that covers the entire Kingdom of Saudi Arabia. As of the start of this week, Al-Watan is approaching the readers in the Kingdom with its new edition, which marks a milestone for the newspaper that was by itself considered a milestone in the history of press in Saudi. The need to modernize the newspaper was the reason for renovating the newspaper design and content as well as expanding its printing facilities across the Kingdom, making it the only Saudi daily that is printed every morning in four major cities. The 48-pages of the new edition will cover in depth Saudi affairs with a wide range of feature stories, news, analysis, and reports. Al-Watan will not only serve the entire Kingdom, but it will serve the region as well by reporting national stories that of interest to local and regional readers although it will still focus on its national base of readers.

About AllWorld Network

AllWorld's mission is to find and accelerate all the scalable growth businesses in the emerging world by 2012. A decade ago, the co-founders of AllWorld Network – Deirdre M Coyle and Anne S. Habiby -- joined forces with Harvard Business School Professor Michael Porter and Inc. magazine to create the US Inner City 100 list, looking for competitive entrepreneurs where no one thought they existed – in America's economically distressed inner cities. In that first year, only 120 companies entered the competition. But by 2008, there were 10,000 companies vying to be on the Inner City 100 list. Companies have to be privately held and each one competes for a spot based on its sales growth over the past five years. The Inner City 100 became an American phenomenon and its own engine of growth. In 2001 the UK's then-Chancellor of the Exchequer, Gordon Brown, asked the team to create a UK Inner City 100 with the Financial Times in 2001. In 2007, Coyle and Habiby established AllWorld Network to take this model global. They began in Saudi Arabia at the invitation of the Saudi Arabian General Investment Authority. The inaugural Saudi Fast Growth 100 winners were announced at the 2009 Global Competitiveness Forum in Riyadh. Building on the success of the Saudi 100, AllWorld launched the South Africa Fast Growth 100 in November 2009, and in 2010 will launch the Arabia 500 and the Africa 500.

AllWorld looks for growth companies that are creating the next economy of ideas, jobs and industries and puts them on the global radar screen. With market visibility, these companies of 25 or 200 employees are able to scale up by attracting world-class capital, talent, partners and opportunities. Without it, the growth of emerging countries is suppressed.

In the 21st century, AllWorld believes media is the underleveraged asset for growth.

AllWorld calls this [Visibility Economics™](#).