

The Saudi Fast Growth 100

The Soul of Competitiveness. The Next Economy.

Anne Habiby & Deirdre Coyle – co-founders, AllWorld Network

The Saudi Arabian General Investment Authority has committed to making the Kingdom of Saudi Arabia one of the 10 most competitive nations in the world by 2010. To achieve this ambitious goal, the Kingdom must nurture emerging growth companies. What do successful economies around the world have in common? An environment that encourages a dynamic group of emerging companies, which then become engines for job creation and new wealth for the company and the country.

Professor Michael E. Porter, Bishop William Lawrence University Professor based at the Harvard Business School

More than anything else, the Saudi Fast Growth 100 provides a powerful beacon of inspiration to the next generation of company builders, young people, perhaps just teenagers now, signaling that they too can succeed, that they too can have a stake in a dynamic, forward-looking economy. The Saudi Fast Growth 100 gives us an invaluable opportunity to witness compelling stories of innovation and success from companies owned by women and young entrepreneurs; this list also helps us spotlight trends among emerging and growing industries, as well business innovations and best practices.

Hatim Mouminah, CEO, Alwatan

A vital group of emerging growth companies provides the oxygen of the economy. The winners of the Saudi Fast Growth 100 list will be the guides to our future. These trail-blazers will be the most potent signal that Saudi Arabia is a dynamic economy full of creativity and opportunity.

We are also pleased to announce the inaugural Saudi Porter Prize, making Saudi Arabia the second country in the world, after Japan, to award the prize. Harvard Business School Professor Michael Porter will award the prize annually to a Saudi company with a distinctive competitive strategy, a company that is innovative and creating new opportunities and wealth for the Kingdom.

Governor Amr Al-Dabbagh, Saudi Arabian General Investment Authority

In January 2009, the Saudi Arabian General Investment Authority, Al Watan newspaper, and Next Economics joined together to launch a national program devoted to growth and competitiveness culminating in the Saudi Fast Growth 100 and the Saudi Porter Prize.

The mission of the Saudi Fast Growth 100 is to showcase emerging companies in the Kingdom that are vital to the Kingdom's future growth and economic success. The list will identify growing industries, future IPO companies, and opportunities for investment. The Saudi Porter Prize will be awarded to a company that distinguishes itself in strategy and innovation.

The Soul of Competitiveness

A strong entrepreneurial economy is the very essence and foundation of a strong, vibrant, diverse and knowledge-based economy, the building blocks of any globally competitive economy. They are not only creating the innovative products and services for the 21st century, they are the job creators of the economy. These companies unleash talent and reward innovation.

Entrepreneurship also has universal appeal. It generates wealth and pride not just for the entrepreneur, but also for investors, employees, and whole communities. Nothing is more attractive to employees and to college graduates than the opportunity to work for a company that is on the move, trailblazing a path to the future.

Successful economies around the world are marked by a strong identifying characteristic: they all have a dynamic, entrepreneurial environment. Why is this? Because nimble, entrepreneurial companies are able to respond quickly to changing market conditions and this ability helps drive the competitiveness not only of the company, but also of the country.

Entrepreneurship is the very soul of competitiveness. Consider this thought: Every time someone starts a business, it's an act of economic competitiveness. In other words, when someone starts a business, what he or she is really telling us is that we, the system, have missed something. We have overlooked an opportunity. That entrepreneur has found a new way to do something better, faster, smarter, cheaper. So no matter how humble the idea might be, the act of starting a business is, by definition, an act of economic competitiveness.

These entrepreneurial men and women are dynamic thinkers who see opportunities where others see problems and obstacles – or nothing at all. We call these entrepreneurs the Next Economics and we herald their achievements.

The Engine of Growth

The Saudi Arabian General Investment Authority, Alwatan and Next Economics are creating the Saudi Fast Growth 100 - an annual list of the fastest-growing companies in the Kingdom. The companies will be ranked on their revenue growth using international standards.

We are also announcing the inauguration of the Saudi Porter Prize. This award, which will be presented annually, will recognize a Saudi company that has distinguished itself as an exceptional leader in strategy and innovation. Saudi Arabia becomes just the second country, after Japan, to offer the Porter Prize.

Both the Saudi Porter Prize and the Saudi Fast Growth 100 will recognize and celebrate leadership and extraordinary achievement.

But they have the power to be much more than that.

They have the power to be engines of growth.

We know this because we have seen it before in the US, Europe and in emerging economies around the world.

What is our history? Ten years ago, we, the founders of Next Economics, worked with Professor Michael Porter of the Harvard Business School to bring to light the entrepreneurial potential of America's cities. To accomplish our mission, we created the Inner City 100, a list of high growth companies in America's urban areas. We partnered with Inc. Magazine, the magazine of record for entrepreneurship in the United to produce this list.

In the first year, we had to work hard to convince companies to apply for the list. We managed to convince 115 companies to apply. And this year, just ten years later, we were stunned to receive almost 10,000 nominations. Think of it! 10,000 nominations of companies no one really knew existed just a few years ago. The Inner City 100 has become an American phenomenon.

The criteria for making the Inner City 100 list are strenuous and getting more challenging each year. We look for companies that have been able to grow at least 50% a year for five consecutive years. Imagine growing at 50 % for two consecutive years. Now imagine keeping up that pace for five years and more and you begin to see the extraordinary achievement involved in making the list. The 2008 U.S. winners collectively employed 15,000 people, and if they continue growing at the same rate, they will create 10,000 additional jobs by 2010.

What gives such a list so much importance and makes it such a force for competitiveness? The list starts out by identifying and shining a spotlight on high performance companies. A virtuous cycle then begins to occur where their stunning growth and innovation draws attention from the media and venture capitalists, thereby creating a hothouse effect for these companies. As this effect grows, the list becomes its own engine of growth.

In the process of analyzing hundreds of unheralded business achievers over the past 10 years, the Inner City 100 has also uncovered insights that have given birth to a growing number of innovative ideas; successful public policy programs have been created to support entrepreneurs and expand job creation, and new ways have been developed to bring investors and urban entrepreneurs together for mutual benefit. So successful were the efforts that we also created a program for entrepreneurs 21-years old or younger called Growing Up CEO.

A few years after we started the Inner City 100 in America, we were asked by then-Chancellor of the Exchequer Gordon Brown to replicate our model in the UK, and we then launched the UK Inner City 100 list. Using the list as a critical building block, Gordon Brown and then-Prime Minister Tony Blair led a national effort to spark entrepreneurship in the UK, promoting what they called a culture of "Enterprise for All". To create the UK Inner City 100, we partnered with another leading media outlet, the Financial Times.

Mister Brown had this to say about the UK Inner City 100:

"The British economy will do best when men and women from the nation's high, as well as low, unemployment communities -- and from all social backgrounds -- have confidence that they can transform their ideas and hopes into business start ups and growing firms, building an enterprise culture genuinely open to all."

How does a list spur growth and competitiveness? Let us consider one of the earliest companies that made the US Inner City 100 list and then went on to make the list many more years in a row. Belkin Components makes computer accessory components such as cables. Walk into any Jarar bookstore and you will find many of their products. Check your desk and you are sure to find a Belkin product. When we first met Belkin Components, the company had annual

revenues of \$150 million. Now, in a single decade, Belkin Components has become a billion dollar global company.

The Next Economy

The search for the Saudi Fast Growth 100 is underway and we are currently looking for the most exciting companies in the Kingdom. How are we trying to find these companies? We are working with companies, banks, chambers and business associations throughout the Kingdom to find these exemplars of innovation and success. Already 55 companies have applied to the Saudi Fast Growth 100 and over 150 additional companies have been nominated to the list.

On January 27, 2009, the winning companies will be recognized at an awards ceremony at the Global Competitiveness Forum in Riyadh, a ceremony organized by the Saudi Arabian General Investment Authority. This will be the first “Academy Awards” dedicated to recognizing and celebrating entrepreneurship in the Kingdom.

The inaugural Saudi Fast Growth 100 winners and 60 of the most celebrated business and political leaders from around the world will converge in Riyadh for the Global Competitiveness Forum. Imagine bringing together international leaders who have already had an amazing impact on the world with the Saudi Fast Growth 100 winners shaping the future of the Kingdom.

Twenty of the Saudi Fast Growth 100 winners will also be invited to meet with the US fast growth list winners and attend a special set of seminars at the Harvard Business School in April 2009.

In the current sobering climate of speculative stock or real estate investments, the Saudi Fast Growth 100 companies are real companies with real profits and real success. **They are the real thing.**

We leave you with this thought: Successful entrepreneurial companies send a powerful signal to the next generation of entrepreneurs, those who may now be only teenagers, that they too can succeed, that they too can have a stake in the economy and in the future. Nothing is more important than energizing youth to take part in creating the future of their country.