



**INVESTMENT  
BANKER TO  
SOCIAL  
ENTREPRENEUR**

As the son of Palestinian immigrants, Ahmad Ashkar has always wanted to give back.



BUSINESS  
FOR GOOD

# BREAK THE WHEEL

Ahmad Ashkar believes that the future of business lies in solving the world's trillion dollar problems

BY **CHRISTINE GROVÉ** PHOTOGRAPHS BY ALEX ATTACK

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**FEW YEARS AGO**, Ahmad Ashkar was driving in the back of a hotel shuttle in Mumbai, making that conversation you do, with the driver. As someone who's always been inherently curious about people, Ashkar soon had the driver talking about his life in detail—something that ended with Ashkar landing up in an urban slum at the driver's home.

The man told him of how it was the dream of his great, great-grandfather to have someone from his family, one day, attend college. That dream would soon be realized, the man announced proudly, as his daughter would soon go off to be the first in the family to gain a tertiary education.

"I think it's unacceptable," says, Ashkar, "that it'd taken four to five generations so that somebody could go to school."

Keen to understand more, Ashkar inundated the man with questions. "I asked him, 'are you hungry?' He said no. I said, 'are you homeless?' No. 'Do you have access to basic healthcare?' Yes. He had all those things. But he was still fundamentally poor. The only way that he could break that poverty gap was to make more money."

It was this conversation that sparked the idea for the Hult Prize's theme for 2016—crowded urban spaces—and an opportunity for young entrepreneurs to think about and work to solve a fundamental supply and demand problem that manifests itself in communities where poverty is repeated in a generational cycle.

Ashkar, founder and CEO of the Hult Prize Foundation, sees himself as having been destined for this life of figuring out how to fix the social problems that afflict people across cities, countries, and ethnicities.

"My parents immigrated to the US from Palestine in the 70s, and as a child of immigrants, one thinks that the best way to repay mom and dad back is to go out into the marketplace after you finish college and make as much money as quickly as you can," he reminisces.

But even after pursuing a successful career in investment banking, Ashkar couldn't shake the feeling that this was not all he wanted from life—there had to be more purpose to life than just money.

"I decided to go back to school after the fallout of the financial markets in 2008. And it was while doing my MBA that I had my 'AH-HA!' moment...that you could in fact, do good while continuing to pursue wealth and pursuing income. They are not mutually exclusive things."

That thought eventually morphed via various iterations into the Hult Prize in 2009.

"While the charitable world was trying to figure out how to be sustainable, with the iterations that we had, we quickly

realized that if we wanted disruption in the sector, we actually needed to stimulate the business community," says Ashkar. "And when I started looking more closely, I had a breakthrough: The future of charity is not business, but the future of business is charity," Ashkar says, pointing out that in 2009, his foundation had professed what companies like Nestle, IKEA and others propagate today as the shared value model. "Doing good for the world will actually increase the share price of your company."

After convincing Birtel Hult, the Swedish billionaire, to provide Ashkar with enough funding to build a sustainable organization that would fulfill the similar vision he had, Ashkar and his team set out to find an ambassador to champion their cause. This was a crucial component in making the people who matter front up their resources for charitable quests.

They had four names of inspirational leaders on the table, each as strong as the other: Nelson Mandela, former South African president, anti-apartheid revolutionary, and philanthropist; Muhammad Yunus, the Bangladeshi social entrepreneur and Noble Peace Prize winner; Bono, front man of Irish band U2, investor, businessman, and philanthropist; and Bill Clinton, the former US president.

A general consensus saw Clinton come out on top. "And long story short, he agreed right away," bringing the might of the Clinton Global Initiative behind the Hult Prize, which is now claimed to be the world's largest student competition for social good. Every year, the competition sees teams from graduate schools across the world compete (and collaborate) to solve one urgent social issue plaguing the modern world.

## WHAT IS SOCIAL ENTREPRENEURSHIP ANYWAY?

An important observation Ashkar wants people to take note of is that social entrepreneurship is, eventually, entrepreneurship. "Entrepreneurship is all about solving problems—and I cannot think of bigger problems to solve, than those that revolve around human dignity, human rights, water, access to education, affordable housing, transportation, energy. Those are all trillion dollar problems," Ashkar says.

Transportation is the problem that the winner of Hult Prize 2016 is tackling. Magic Bus, essentially an Uber for African minibuses, aims to disrupt the proverbial car wreck that is the public transport industry in



### HULT PRIZE 2016

The co-founders of Magic Bus met former US President Bill Clinton after winning the \$1 million grand prize.



**"IF YOU WANT TO BUILD A BILLION DOLLAR BUSINESS, YOU NEED TO SOLVE A TRILLION DOLLAR PROBLEM."**

# "THE FUTURE OF CHARITY IS NOT BUSINESS, BUT THE FUTURE OF BUSINESS IS CHARITY."



## **BUSINESS MINDED**

For Ahmad Ashkar, driving profits is what will eventually break the generational poverty cycle.

Africa—a system based on informal minibuses, that do not follow set timetables or consistent prices.

Both commuters and bus drivers face huge amounts of uncertainty. Magic Bus wants to change things by connecting buses to commuters through an offline technology that serves as an automated ticketing service.

The startup's primary strategy is to develop Magic Bus as the preferred method for buying public bus tickets as a convenient and cost effective alternative to long waiting times and inconsistent fares.

Being first-to-market, the startup plans to first break and then gain market share in Kenya's capital city of Nairobi, and then across 29 other African megacities—all of whom are riddled with similar minibus mayhem.

According to Ashkar, like Magic Bus, one thing that does differentiate Hult Prize entrepreneurs from regular entrepreneurs is that they all have experienced first-hand social issues or challenges that they are trying to solve.

For Ashkar, that is an important experience to have, regardless of social status. "Just because you might come from a family who is able to afford to send you to business school, doesn't mean you haven't grown up in a place that doesn't have running water, let's be very clear," he says.

"And understanding the poor and the dynamics of infrastructure in places requires empathy. Directly or indirectly experiencing social issues around you is enough knowledge for you to be able to

connect because you're empathetic. And that's what we're looking for."

Wycliffe Omondi, co-founder and CFO of Magic Bus, who is from Nairobi, is quite familiar with waiting for a minibus or *matatu* as they're called in Kenya. He sees the disorganization as "undignified".

Now with their million-dollar bag of prize money, Magic Bus hopes to expand and be able to purchase the technology to support more users and buses. But the Magic Bus ticketing teams aren't the only winners. Other finalists too get to present to an audience from which they are likely to find their next investor, mentor, partner, CEO or even the first client.

## **— THANKS A MIL! NOW WHAT?**

After whittling down hundreds of thousands of applicants to just one winner, the Hult Prize team needs to provide multi-layered support to not only the grand prize winners, but the many ancillary participants in regional Hult Prize franchises.

As can be expected, the grand prize winner is offered a

pipeline of continuous mentorship from some of the top business minds the world has to offer. For other participants, the Hult Prize Foundation also has access to capital beyond the million dollars.

“Somewhat of a brand has been built up surrounding the Hult Prize winners, so we have a lot of investment funds that approach us wanting a chance to invest,” says Ashkar.

As for Magic Bus, the next step sees the team move to Kenya and begin executing their plan they developed with the help of the Hult Prize and its advisors.

Iman Cooper, co-founder and CMO, acknowledges that execution will have its challenges. “We have been fortunate to have some great relationships with people in Kenya, who have helped us understand and navigate the system,” Cooper says, adding that reaching this point would not have been possible without the help of the many advisors, mentors, and partners they have worked with on this journey.

## THE BUSINESS OF POVERTY

Everyone knows that building great startups is very difficult. “You can’t just wave a magic wand and say let’s throw a bunch of money and solve humanity’s toughest challenges. It doesn’t work that way,” says Ashkar.

Traditionally, social enterprises were happy with breaking even. Making a profit has never been on the minds of these kinds of business owners—an ideological and financial roadblock, depending on whom you ask—but for Ashkar, that’s not enough.

“If we want competition and we want the right kind of framework within society, we need to drive profits,” he says. “The challenge that I saw first-hand from [social] entrepreneurs was that driving down supply is not enough. The cost of supply is not enough. It’s not enough to make water, housing, and education affordable. If you really want to break poverty, you need to focus on the income side—which is the demand side.”

“Now, there isn’t a social enterprise in the world that focuses on demand—they’re all focusing on supply. But we need to realize we also have to focus on income.”

The theme of crowded urban spaces, Ashkar says, is one of the first Hult Prize challenges that focus on the demand side of entrepreneurship in the social sector. Here, entrepreneurs were put to the task of figuring out breakthroughs by connecting people to people, people to products, and people to services—with the purpose of breaking the poverty cycle.

Ashkar is of the opinion that social enterprises are not the only ones who need to be doing this. Many large companies now boast corporate social responsibility (CSR) programs, but is that enough? Often, it’s just marketing, he argues.

“I think there’s two sides to the coin,” says Ashkar. “On the one side, yes—there are a lot of CSR programs that are

simply former heads of marketing taking over and telling this story of impact and charity and doing good for the world. This is an inappropriate approach to CSR. Taking a piece of your budget and pre-allocating dollars to doing good projects is not the way to make a sustainable impact. And the marketplace will sniff you out quickly.”

“On the other hand, companies that have woven impact into their DNA...what you call ‘designing for impact’, have the responsibility to put a division in place to champion that message. It’s not a bad thing to market your good deeds for the world, but you have to be real with the messaging.”

## HOW TO BE READY FOR THE FUTURE

Much has been written about the millennial generation and their neoteric consumer behavioral trends. Millennials now represent the consumer market of the future, and it behooves corporations to read the tea leaves.

This is intense pressure for any CXO layer executive mulling his company’s future, but this doesn’t mean you need to turn your company into an NGO, says Ashkar.

“Now, whether or not you decide to give those profits back to your business, which if you’re a social enterprise will go back to your beneficiary, or you decide to extract the profits and pay off your shareholders, I’m technically indifferent. But I prefer the latter,” he says.

“Because if you’re paying shareholders it means you’re going to encourage more investment in the long run—even if it’s for a competitor. But that’s how you’re going to trigger an ecosystem,” he says with a twinkle in his eye.

“And this business is all about ecosystems.”

Ashkar thinks “ecosystem” is a word many like using, without knowing what it really means—a reason why regions like the Middle East have been unable to build any, at least successful ones.

Using Silicon Valley as an example, he says: “There was one person that moved to

Redwood California—and that one person created a company of eight people, and 58 years later you have an entire valley of businesses.”

And that happened because those eight founders eventually went on to create other companies and they used the experience, connections and processes they knew previously to build new companies.

“The biggest challenge we face here in the Middle East is what I call the second hire. There are enough founders. You don’t have to be a founder. It’s OK to go and work for a startup as the number two. We need to say to ourselves, it’s time to work together now to build the ecosystem of tomorrow.”

— CHRISTINE GROVÉ is a senior reporter at Inc. Arabia.

In its 2015 Nielsen Global Corporate Sustainability Report, the research firm found that

66%

OF GLOBAL CONSUMERS SAY THAT THEY’RE WILLING TO PAY MORE FOR SUSTAINABLE BRANDS

UP FROM 55% IN 2014

73%

OF GLOBAL MILLENNIALS ARE WILLING TO PAY EXTRA FOR SUSTAINABLE OFFERINGS

UP FROM 50% IN 2014

Another study by Horizon Media found that

81%

OF MILLENNIALS EXPECT COMPANIES TO MAKE A PUBLIC COMMENT TO GOOD CORPORATE CITIZENSHIP