



Podcast Episode #055 – Why the hardware startup ecosystem in Lebanon is becoming interesting, with Raja Younes of Startupsfund, Futuris Technologies, Lebanon

RAW TRANSCRIPT OF INTERVIEW

Balint: Well, first welcome, Raja, to the show.

Raja: Thank you, Balint.

Balint: We've known each other for about a year now. I think we started the conversation when I started my podcast. We saw each other's interests. I think it was on Twitter where we got connected and we saw...

Raja: Yeah, exactly.

Balint: We saw the connection that we're interested in very similar topics. When we hear about Lebanon and the Middle East Syria comes into our mind and also you know the whole immigration or better to say migration crisis or phenomenon which is happening all over the world, especially in Europe and the Middle East. But in this episode of course we should focus more on other topics, on a more empowering topic which is the hardware ecosystem in Lebanon. So ready to explore this topic, Raja?

Raja: Sure.

Balint: Great. You've authored a guide to the Lebanese startup ecosystem which is available on your website. It will be in the show notes. So Startupsfund and Futuris Technologies, two of your initiatives. And also, as a Kindle edition on Amazon, I came across this presentation, this guide there. It got 4000 views which is remarkable I think in startups especially if it's mostly about hardware topic. So, it would be great to talk about its content of this guide and some of the updates because this came out to my recollection in about 2015 so a couple of years ago. So, there might be some updates there.

So, to start with a question. What do you think some underlying problems are in the world of startups where you think you might have even some solution?

Raja: Yeah. Actually, the main challenge globally and locally the startups are facing the lack of technology talents and the lack of highly skilled people to come up with



technology solutions. Therefore, there is a need to increase the highly skilled workforce to maintain a sustainable economy and this is why I have developed the Futuris Technologies Program and the Startupsfund that aims to bridge the gap between the local engineers and the needs of the global market and so facilitating engineering teams operating in Lebanon that outsource their engineering services. This we tap a lot especially the European market where the birth rate is going down and some countries are opening their doors to bring millions of migrants. So, I believe through the Futuris Technologies Program we can solve this problem in Europe and other countries in the world.

Balint: OK. Yeah. I mean you hear about it in the news many times that this migration problem is still not solved. As far as I can remember it's something like 1 million people came into Germany in a very short time which is a huge number. I also think that this is a major issue because in Europe this lack of talent, the thing is that to sustain the development, the GDP increase that we have we need to have more and more workforce, working people until the age of retirement and this is a problem. And at the same time the technological change is coming. It's affecting all industries as we know and this means that on top of this we need more highly skilled people. So, the problem is even more adverse, more intense.

So, what do you think before we talk a little bit more about your initiatives, why do you think the MENA region or better to say the Lebanese ecosystem because you know it even better because that's where you live, why is it exciting these days for accelerators or investors or even startups for people, entrepreneurs who want to start a company? What are some like top reasons? Maybe we should focus.

Raja: Yeah. Actually, there are many reasons. We can see many Lebanese success stories all over the world – in the Americas, in Europe, in Africa, in the Gulf, in the MENA region even - and this wouldn't happen if you don't have what is needed to be success. We can see that in Lebanon in the education part we are ranked 6th globally according to the World Economic Forum and our universities they are...I can give an example that like the American University of Beirut is ranked number one in the MENA region. We can see that the incentives are granted for entrepreneurs through the Central bank and so the government like they have catered for \$400 million. So as a startup ecosystem, it was 75 percent guarantee on investments and you can see also other incentives that are granted by the government where they are giving many incentives. I can give you an example which is 100 percent free tax on corporate taxes, I mean, up to 10 years and many other incentives that you cannot find in other places. That's why Lebanon's called the tax heaven country.

In addition, you can say that the Lebanese mentality and culture that made us.... We have an open culture which is very hard to find in the Middle and East region. So, these are the main factors that made out of Lebanon attractive in addition to salary,



wages, our engineers compared to Europe, compared to the US as very minimum and even we are capable to compete with China and India. So, these are the main incentives we can say. And I can tell you some facts. Recently, Lebanon has been ranked the worldwide early stage entrepreneurship 8th. Also, there's a report from the CNN Money where they have mentioned that Beirut is ideal place for investors according to reports from Savills research and Candy and Candy management. So, these are main.... I mean, that we can say points that we can highlight on.

Balint: I think this is where it connects a little bit with the previous topic that the problem that we started talking about which is that the problem with the shortage of workforce that we see in the world because you mentioned that you're 6th in terms of education globally, right?

Raja: Yeah. So, you have the highly skilled people in the region, you can find them easily in Lebanon. And Lebanon has been for many long years exporting the talents to the world. So that's why you can see many success stories all over the world.

Balint: Yeah, who are some of the successful Lebanese people in the world?

Raja: We have like Tony Fadden of Nest

Balint: Tony Fadden.

Raja: Yeah, Tony Fadden. We have Carlos Ghoson that he's the general manager of Renault, Nissan and Mitsubishi. We have Carlos Slim Helou. He's a very successful entrepreneur in Mexico and he used to be the first billionaire in the world. And we have many, many other success stories.

Balint: And what are some of the companies that have already established some foot, some offices, maybe even some R&D centers in Lebanon from outside Lebanon, like maybe from the U.S. or from Europe?

Raja: Yeah, I can tell you there is IPG Photonics which is a telecom and laser company that... Actually, IPG Photonics employed also Lebanese company and they opened an office here in Lebanon. You can have also Nixon which is a French company. They have opened also a huge manufacturing facility here in Lebanon more than 20000 square meters so they are developing quite interesting stuff. They are ranked 7th in the world of telecom infrastructure and so on.

Balint: Okay. So, things are moving. So big companies are realizing it I guess typically and small companies might follow soon.

Raja: Yeah. We also have many migrants Lebanese that have success stories like Multilane that came up from the U.S. We have Jorge and he established his company and is now competing with Ericsson and Huawei.



Balint: Which company? What's the name again?

Raja: With Ericsson. His company name is KLEOS and Spectronite.

Balint: OK. OK. I will also put these names into the show. I think it's good to look it up. And what about your initiatives? So, you have these two initiatives, right? The Startupsfund and the Futuris Technologies. Could you tell us a little bit more especially how you distinguish? What's the difference between the two?

Raja: Actually, both of these initiatives complete each other. I would like to first start with Futuris Technologies which is a program that aims to partner between local universities and between Tier 1 technology companies in the world to have them...

Balint: Tier 1, so the highest level.

Raja: Yeah, to have them train Lebanese resources and later to open for them offices so they can operate from Lebanon. We have multiple programs under this program and it can be found online on the Futuris Technologies website.

Now regarding the Startupsfund, this is an initiative that I would like to build a partnership, I mean we've been developing partnership with top hardware accelerators like Make in LA, Los Angeles, also with Ansys and other accelerators, worldwide accelerators. So, we are developing or organizing hardware webinars also and we're going to start soon also providing firmware engineering workshops and other hardware workshops. So, the Startupsfund is built to build a network with the global ecosystem and that's it.

Balint: And Futuris Technologies is made mostly...As you said, it's about bringing together top players, industrial players with universities and providing them this way fresh graduates.

Raja: Yeah, exactly.

Balint: And the Startupsfund is more partnering up with the accelerators or other players, industrial players and providing their workshops.

Raja: In addition to promoting the Lebanese ecosystem and the incentives granted by the ecosystem.

Balint: Yeah, with the Startupsfund. Because I think actually your guide is on more probably more prominent, more present on Startupsfund.

Raja: I would like to add one thing related to Futuris Technologies Program. For companies that don't like to open an operation office here in Lebanon we can also provide them Lebanese engineering services and dedicated resources for the projects.



Balint: So, for example remotely.

Raja: Exactly.

Balint: Yeah, for working remotely or it could also mean not only just working on a computer to do let's say design work but also perhaps in a lab, just they would stay there and the results could be communicated to the office, to the company in another country. I think it's especially interesting, it could be interesting for European countries because of the 1-hour time difference roughly between most of the European countries like Central European countries – Germany, Switzerland, Slovakia, Hungary and so on, France, and Lebanon. So that's really, really small compared to outsourcing services to far away, to the Southeast Asia or China or having some development in the U.S.

Raja: And what can help you with these countries, they can benefit from the Lebanese communication skills. So, you know Lebanese are known that they are proficient in multiple languages, in addition to Lebanese, they are excellent in speaking English and French languages, in addition to Spanish, Italian, Armenian, Russian and German.

Balint: Yeah, that's pretty good.

Raja: So, they can benefit a lot from this point.

Balint: Yeah. All right, cool. Very good. Very good to learn about this situation in Lebanon. So, I would say let's move on to the ultrafast round of questions.

Raja: Ok, please go ahead.

Balint: This means that I would ask four questions and it would be good to get short answers to these.

Raja: OK.

Balint: So, the first one. If you could go back in time to the time when you were in your 20s, what notes would you give yourself?

Raja: I would give myself an advice that I should do my best to join a US university in California like Stanford, so maybe I could join the Silicon Valley technology ecosystem to work with Tier 1 semiconductor and the system companies and to join these global economy.

Balint: Yeah, to learn.

Raja: Yeah. To learn from them.



Balint: Yeah, yeah. That's good. I also wanted to study in the U.S. I did apply but it was just not the right time to apply for schools it turned out later because then I got some awards for my master's thesis and this happened before but I did actually get admitted to UC, University of California Santa Cruz. It would have been good for surfing.

Raja: Actually, this is my dream, my life dream to join Stanford, Oxford University in the UK and also these big universities. And who knows maybe one day I will do it.

Balint: Yeah, yeah. There's continuous education so it's possible to even get an MBA. Second question. If you had to name a book, which one had the biggest impact on your thinking and on your career?

Raja: Actually, there's a good book called *Getting to Yes*. This is a great book because I believe the main challenge in every business and every career is how to resolve any conflict. And this is a major factor. You can say that in your career if you're not able to control the spot on how to get to yes on things that you really need and how to solve any conflict that we're going to face during this journey.

Balint: Yeah, I have to look at that book. I haven't read that but I think I heard about it actually. Just the title. So, another question is that if... I'm interested in you know habits because I think they can have good impact on our life. They create some structure. Do you have some habit like routine?

Raja: Actually, you can say that rising early, exercising sometimes, prioritizing just a few minutes to outline everything else that's related to tasks that you want to do, to complete during the week or to identify the risks that might face you in addition to setting up obligation plans. In addition, also to some habits that help you to be more relaxed during the day. So, take out from your body all the stress. So, I do some exercises.

Balint: Like meditation or...?

Raja: Not necessarily. There are some exercises that I learned from multiple coaches and I am trying to do them. Meditation is one of them but not necessarily the meditation.

Balint: All right. Another question which I normally ask is the cultural differences. I think we live in an international atmosphere so we have to interact with people from other cultures. What kind of a cultural difference would you highlight which you overcame?

Raja: To be very honest with you, when I started working I have worked with US companies like Cisco Systems and many other companies like Intel and then work on



projects for them from Lebanon. And I found that we have many common cultural aspects. So, maintaining the transparency while working, maintaining the trust or respect, respecting the time of others and respecting your time and doing your best to reach the targets, ownership and many... I mean there are many cultural aspects that I really emphasize on and I would like to maintain them always.

Balint: Okay, okay. So, it's more like commonalities that you see.

Raja: Yeah.

Balint: Okay. All right. Yeah, I think it's true that there are not so many differences between different cultures. Luckily, this allows us to talk to each other.

Raja: Yeah, exactly. Yeah. I can say I didn't face any, I mean any culture challenges between someone living, that studied in Lebanon, between Lebanon and France and is working for Tier 1 technology companies in the world, I didn't find any cultural difference, work cultural difference.

Balint: One cultural difference though that I see sometimes is that in France people have sometimes wine with lunch and here in Switzerland, people will look at you, at least in the German part of Switzerland, in a strange way if you do that.

Raja: Yeah, I mean there's always cultural differences in terms of the way we live but in the way that we work whenever you are going to I mean you are dealing with professionals, I believe there's a common way, there's a common culture.

Balint: To communicate. So, I would say it was good to discuss these topics and before we conclude what would be the best way for listeners to reach you - by email or social media? Any preference?

Raja: Actually, they can reach me via email. Do you want me to give my email?

Balint: Yeah.

Raja: OK. So, my email is rajayounes@gmail.com and I would spell it like R A J A Y O U N E S. Also, they can connect with me on LinkedIn or through Twitter or Facebook.

Balint: Yeah, I will put in the show notes those links as well in case they want to learn more about the situation in Lebanon and maybe even in the MENA region because I think you already have some grasp on the situation in the wider region. So, yeah, I think it was good, very good this interview, I enjoyed learning more about the situation in Lebanon and also with your initiatives what problems you are trying to solve, actually major problems because for our technological development growth it's a major issue how the situation will be in a couple of years. I read like in 2030 in



Germany there will be 8 million people missing on the job market which is a huge number. It's 20 percent of the current workforce roughly. So, these are big numbers and the rest of the world is in a similar situation because of the birthrate being low.

So, I appreciate again, Raja, and yeah, keep in touch. I wish you all the best with your initiatives.

Raja: Thank you, Balint. I want to wish you also all the good for what you are doing because also you are trying to do your best at the Hardware Entrepreneur Podcast. And I would also like to thank you for hosting me and for giving me this opportunity to highlight my initiatives and that's all.

Balint: Thanks, Raja.