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CHINA: ANDY KHAWAJA

I AM THE MESSIAH OF E-COMMERCE

Online financial payments may not seem like the most **exciting** industry to delve into but one company CEO has set about changing all that, personally and through his **phenomenally** successful company, Allied Wallet. *Andre Gayle* meets BRIC Magazine's Western Chinese Success of the summer, the impressive **Andy Khawaja**.



As company CEOs go, Andy Khawaja is not one you are ever likely to forget in a hurry. If you were to put him in a line-up of all the other top CEOs and executives in his particular field he would probably be the only one wearing the jeans, the loafers, the lime green Armani blazer and the sun-kissed toothy smile. He would probably be the only one to be heartily introducing the others in the line to each other too. "I'm a little bit ADD, you know," he tells me. "I can't be still for too long. It's probably why I've never read a book in life, I get too frustrated." When your company is one of the global leaders in online financial payment solutions it's not quite the image of the man (or woman) at the top that first springs to mind.

George Clooney

The fact is though, today Andy Khawaja can afford to be the unconventional stand-out in his field. In fact, he demands it of himself and of Allied Wallet, the company he founded. The nearest comparison that can be made in terms of the space his company occupies is PayPal, the famous online payment system most often cited as the competition that Allied Wallet seeks to usurp. However the best way to get a real handle on exactly what the company does is to let the man himself fill in the blanks. Says Andy: "Allied Wallet is very much a global online payment solution that allows customers and retail merchants to do business and complete transactions across all international borders without having to worry about different exchange rates, currencies or credit cards." In terms of the growth of global e-commerce compared to foot-though-the-door retail shopping this is something of an industry holy grail. A quick scan of their





website and you'll soon find out that Allied Wallet can currently provide secure payment processing in 164 different currencies across 196 different countries. Andy boils it down even further: "PayPal is more about money transfer, we're more about transactions." And that's the model that has seen the company grow by about 5000% in each of the last few years and, with that, open up new offices all over the world (eight and counting).

"He's like that George Clooney character from that movie," Natasha Siggers, VP of PR for Allied Wallet, says of Andy at a meeting to schedule the interview. As vague as the reference is it instantly tells you a lot about the life of Andy Khawaja. The movie in question is Up in the Air and in it Clooney plays a corporate exec whose life is mostly played out in airports as he criss-crosses the USA. But, in Andy's case, you'd have to substitute 'USA' for 'the world'.

The head of an ever-expanding global online empire is not a bad rung to be on when you start climbing the ladder where he did: "I was born in Lebanon but with the civil war in the country back then I didn't even finish high school. Even when I arrived in the US after that I only did one year of college before dropping out. I mean, I really started from the ground up. My first job was flipping burgers at a Wendy's in New Jersey. Then as a teller at a supermarket, taking the rubbish out back in the freezing cold – when I was 19-years-old I struggled a lot, man. Things didn't come easy for me." Being a child of the Middle East it was always inevitable that Andy would chase the sun from the East to West coast of America and, upon settling in LA, the start of his own personal American dream would begin. What began as a sales assistant role in a fashion boutique on Rodeo Drive in Beverly Hills soon turned into being the GM for the company

My first job was flipping burgers at a Wendy's in New Jersey

and expanding the business from three to 60 boutiques nationwide in little under a decade. It also goes some way to explaining the sense of non-corporate style Andy is famous for. "What you wear is what represents you," he says. "75% of the time I can look at people in the street and tell what they do for a living simply by the way they're dressed. Easy." It's a hard theory to test without literally accosting people in the street and taking a poll, but Andy says it with such conviction – in such a rapid-fire American accent underwritten with subtle Middle Eastern bass notes – that you'd almost believe it on face value alone.

Spend just few minutes talking with him and you'll soon see that his personality and the hard salesman alter ego goes a long way to explaining his success. The rest, it seems, is made up from his abilities as an industry soothsayer. "I was working in a retail business where everybody used to walk in and buy merchandise with a credit card and a point of sale device at the till. Then the internet was born and began to grow. It dawned on me that people would soon be able to replicate that exact same transaction but online from the comfort of their own homes. It got me thinking about building a credit card process for customers and merchants for that eventuality because I clearly understood how both sides of that transaction worked for each party." This turned out to be the genesis moment for Allied Wallet and, in 2005, rather than starting local (or even national) and growing incrementally, Andy took his idea global from the get go. Like that one guy once said in that other movie, "A million dollars isn't cool. You know what's cool? A billion dollars." (Sean Parker from The Social Network, in case you're wondering.)

China

"I'm an artist. I see the future of e-commerce. I see the future of global business; China, Europe, Asia, America – I see it all. Connecting people globally is where the money is going to be at." 'Global' is the reoccurring theme in our conversation. In the ten days prior to our interview Andy's been to five different cities around the world. His own multinational background has something to do with this (he spent time living in Europe after Lebanon before settling in the US) but, more than likely, building a successful business when your main domestic competition [PayPal] has such a foothold in the market necessitates the exploration of opportunities in emerging markets that are ripe for harvesting. "I love China," Andy declares immediately. And, if you're an online business, what's not to love? China is the second largest economy in the world with 1.4 billion potential customers, but with only 600 million of them currently connected to the internet. That's still double the entire population of the US, with another 800 million people as a gigantic dormant market waiting to be tapped into in the future. Add to that a projected GDP growth for China of 7.5% for 2014 alone – far more than the projections for the US, UK and the rest of the Eurozone, combined – and the figures are enough to make you shudder.

"Let me tell you something, I'm betting big on China," Andy tells me, as though letting me in on the fix. "I've spent a lot of time meeting with the Chinese. I understand them because the Chinese mentality is very similar to the mentality in the Middle East. It's all about trust; no contracts just a straight look in the eyes and a shake of the hands to make a deal – it's very 'old culture'." It's clear he has a strong affinity for Chinese culture, and they obviously speak the same language when it comes to business, but 'no contracts'? Seriously? "Honestly, it doesn't make me nervous," he says. "We're about making money, building empires together and respect. That's something we understand. I make sure I minimise the risks involved, of course, I'm not suicidal, but I take the right chances

to build my business. Four years ago when I got into the Chinese market everybody thought I was crazy. 'They don't even have credit cards, just China Union Pay that no-one else has ever heard of,' they said." Those unnamed naysayers have probably eaten those words many times over since. Today, Union Pay cards can be used in 141 countries across the world and, by transactional value, is the second largest payment network in the world. Only Visa is bigger. "2.3 billion cards in the hands of consumers all around the world. It's the future. Call me crazy now."

With the Chinese government now actively seeking to invest in the nation's infrastructure and entrepreneurs (especially the tech and online entrepreneurs) to really move the economy into a new era, you have to give it to Andy and his powers of prophecy. The state aim in China is to have at least one billion connected to the internet by 2020; a billion people with new money in their pockets suddenly able to order goods online while still in bed? There's really no way to actually quantify that kind of potential. "I really respect them for what they're doing," says Andy. "China knows where the future is and so do we. Right now about 20% of our business comes from Asia, particularly China, and I see that increasing to about 50% by 2015. By 2018 I want to see that reach 200%. I want it to be off the chart. We understand the business and if others don't that's fine, we'll take it from them. That's the difference between a bank taking an e-commerce account live and Allied Wallet taking it live. We're the pros and they're not. We are the Messiahs of this business."

Some might call it a god complex. But when your business has expanded to over 120 million users worldwide in nine years, or more than 13 million added every year the company has been in existence, with no end to the potential growth in sight, in a few years there might not be any 'complex' about it. At least, when it comes to online financial transaction instruments.

For more on Allied Wallet please visit Alliedwallet.com

