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Good Taste Knows No Limits

After convincing one of the biggest names in American coffee and baked goods to entrust her with a franchise on Lebanese soil, Christine Assouad Sfeir, Founder and CEO of Treats Holding, knows how to push boundaries.

BY HANNAH STEWART



Christine Assouad Sfeir, Founder & CEO of Treats Holding (R) with her sister Carine (L) who will be heading Semson's debut in the US.

Risk averse is not a description that befits Christine Assouad Sfeir. Clinching a franchise deal from Dunkin' Donuts at the tender age of 22, the 40-year-old entrepreneur has made a success of the American coffee and donut chain in Lebanon, launching her own F&B brands along the way. Today, with Beirut-based group, Treats Holding, now to her name, it takes more than a return to all-too-familiar national insecurity to faze her. If anything, as sporadic explosions resound across the Lebanese capital, Sfeir is aiming not only higher, but further. "If you were in a market where everything was great, then you would be more reluctant to grow outside the borders," she asserts. "The advantage of being in such a place is that it pushes you to expand."

And expand she has. Since bringing Dunkin' Donuts to Lebanon with undisclosed funding generated from family, outside investors and bank loans, the savvy business woman has rolled out 27 outlets across the country over the past fifteen years, with first refusal (politely refused thus far) on Syria. Dunkin' Donuts was initially earmarked for failure on Lebanese soil—market research revealing hostility towards an "American coffee" likened to colored water, and bemusement at the very concept of the donut. But, Sfeir's local insight combined with life as a student in Canada which was spent more in Montreal's coffee shops than its classrooms, told her otherwise.

Sfeir is reluctant to share financial information on her flagship venture; the Dunkin' Donuts HQ runs a strict policy where its 2,000 franchisees are concerned, she says. Still, at the global level, the brand's near-100% franchised business model, with 11,000 Dunkin' Donuts and 7,300 Baskin Robbins worldwide, achieved franchisee sales of approximately \$9.3 billion in 2013, indicating there is profit to be had.

But, for some time now, donuts alone have failed to stave Sfeir's entrepreneurial hunger as she pushes culinary and geographical boundaries with Lebanese restaurant chain, Semsom, cooking up an international storm. "First we were a local company, then we turned regional and now we're really turning global," asserts the CEO who launched Semsom with startup capital of \$500,000.

With two outlets in Lebanon, two in Jeddah and the opening of Kuwait's first in February this year, Sfeir is now looking to drive her modern-meets-traditional take on Lebanese cuisine to uncharted territory—the USA. "This is something very big for us and we are in the phase of raising capital," enthuses the mother of two who welcomes the mum-CEO label but resents references to her gender. The world, in her view, is as challenging for men as it is women.

Just as challenges befall both sexes, so too does inspiration. As with many a great idea, the Semsom concept was conceived in a taxi cab. "The reason we created Semsom in the beginning was because of a taxi driver in Washington DC who reacted very badly when I told him I was from Lebanon," explains the brand's founder. After a long ride filled with enthusiastic tales of Lebanese life, the attentive driver made a suggestion; "Why don't you do something that will allow you to talk about Lebanon in this way" quotes Sfeir, recalling the words that would spark her next gastronomic adventure.

From the outset, Sfeir was clear in her Semsom vision. Lebanese expats residing across MENA should not be the target for her food touted as "Lebanese cuisine with a twist". Instead, introducing her menu, which includes special creations such as hummus with sumac and thyme, to local populations was the order of the day. The response thus far, she says, has been "amazing," but in a region already familiar with the tastes of Lebanon, convincing an Arab audience of Semsom's virtues was arguably smooth sailing. The USA, however, is another case entirely.

"The US is so different, the consumer is so different, the expectations are different," stresses Sfeir. "In the US if you talk to a lot of American consumers, they don't know much about Lebanese food so it's going to be a lot of education, a lot of tasting and a lot of promoting to get people into the stores."

As Treat Holding's CEO prepares to take Semsom outside the Arab world, one can't help but think of Lebanon's first reaction to "colored water" and "do-whats?" back in the '90s, and wonder whether a similar scenario with roles reversed is about to unfold. Sfeir, however, is confident that her American dream which is set to be realized by the year end is in safe and very familiar hands. "My sister Carine Assouad is going to be heading the US Semsom entity. We are four siblings and for me she is the smartest," she smiles. "I'm happy she's decided get her hands dirty in our business!"

With hands already well-dirtied in the Middle East, Sfeir has grand plans for the third and most recent addition to the Treats Holding family: Green Falafel, a falafel outlet with an environmentally friendly philosophy. From a vegetarian menu to recyclable products and even financial initiatives which see 5% of profits from every Monday donated to tree planting programs, Sfeir's latest venture is green in more than name as it looks to grow.

Conquering the US may be some way off for the year-old brand that was launched with initial capital of \$300,000, but its owner is keen to satisfy the appetite of the MENA region's biggest market. "We're supposed to sign next week with a

He said 'ok, skydiving—forget about it. But why don't we bring a coffee shop to Lebanon?'



Launched in Lebanon with \$500,000 Semsom now boasts branches in Saudi Arabia and Kuwait, and is entering the US.

very big group in Saudi to roll out many outlets quite rapidly," she explains.

According to Alpen Capital's 2013 GCC Food Industry report, Saudi Arabia is the biggest food consumer by volume in the GCC and is forecast to account for 59% of the Gulf's total consumption by 2017. Meanwhile, research from Euromonitor states fast food as the most valuable within customer foodservice in the kingdom, and discussions at Foodex Saudi, Saudi Arabia's F&B trade event, revealed eating out and health foods as two growing trends. In sum, the climate bodes well as Sfeir looks to fulfill Green Falafel's green mission on Saudi territory.

Sfeir's mission, meanwhile, is to develop all three brands—which she claims to love in equal measure. While she looks to the future, formulating strategies to match a constantly evolving vision, for the CEO, the key to successful management is simple: surround yourself with exceptional people. With her own sister now counting amongst them, Sfeir predicts that the staff at Treats Holding could reach 800 by the end of the year as Dunkin' Donuts Lebanon, Semsom and Green Falafel continue to grow. But growth brings with it its own set of challenges and cultural and culinary considerations increase with geographical reach.

"Turning global means a lot of things need to be changed and fine-tuned," Sfeir explains. From a local market that could be covered personally in one day, to regional expansion requiring communication by intranet, and finally transatlantic ventures calling for policies and procedures to be sharpened, she has long been aware of the need for adaptability.

As Semsom's US doors prepare to open for business, the Treats Holding CEO explains, "We're going to a place where the culture is pretty different so being able to work with that is important. This is a new challenge that we are ready for."

Today's challenges are a far cry from those faced by a fresh graduate as she pondered her future. When asked by her father about the two things she would miss most on leaving

Canada, Sfeir didn't hesitate: skydiving—a hobby she had become hooked on—and coffee shops. Her father's response was to lead her to where she is today. "He said 'ok, skydiving—forget about it. But why don't we bring a coffee shop to Lebanon?'" Sfeir recalls with smile.

Taking the decision, however, was just the first step. As a 22 year-old and the first in her family to enter the food retail business, Sfeir struggled to convince a US household name and skeptical financiers to buy into her vision. However, on sealing the deal and with the encouragement of her family, low expectations from the Dunkin' Donut's mother ship actually worked to Sfeir's advantage. "No one believed that Dunkin' Donuts would work in Lebanon, so because expectations were low, I didn't feel the pressure that much," she says. "On the contrary, I wanted to prove them wrong and being in a small country to start with was actually a plus!"

While the small country that she still calls home is where her entrepreneurial journey began, the woman responsible for introducing an American staple to a Lebanese audience has gone on to develop reach of international proportions, with skepticism now turned on its head.

"Christine is one of the most passionate operators I have ever seen... She brings a completely different level of excitement and drive to the team that works for her," beams John Varughese, Vice-President International at Dunkin' Brands. "I wish I could get a few more Christines in my markets across the world—life would be so much better!"

Looking to the year ahead, in addition to spreading hummus with a twist across the US, Sfeir is expanding her regional Semsom vision with outlets in Riyadh, Muscat and Dubai all scheduled for completion this year.

Rapid expansion and striding into new territories are not without risk, but nor is everyday Lebanese life. In a country where nervous insecurity permeates the air once more, it is often in the face of adversity that ingenuity and resilience shine through—just ask Christine Assouad Sfeir. **P**

IMAGE: FROM SOURCE