



The spice of life

In another life, Nam Sahasra would probably have been a combat officer in the Indian Army's Engineer Corps; after all, making bridges and tracks for troop mobilisation would have played to his strengths.

However, Falcon Group's head of UAE has been building rather different sorts of bridges – ones that make some of the more innovative trade deals happen. Perhaps the military life would have been just that bit too bureaucratic for him. After all, growing up in Kochi, Kerala, Sahasra was not only born into the more academic and contemplative tradition of Hindu society (a 'Brahmin'), but several centuries of spice trading. As a major spice route in the 14th century Kochi was known as the 'Queen of the Arabian Sea' and, like other trade financiers who somehow found themselves embracing this unique profession, there may have been a subtle influence of, he admits, "something in the water".

Early years

When a Brahmin husband dies, the wife, according to tradition, is supposed to shave her head and confine herself to the inner rooms of the house. In 1966, Sahasra's mother suddenly found herself a widow – Sahasra senior was working at Kerala's naval base at Kochi – and she decided this

was impractical. "I have four children, how am I supposed to feed them?" she asked. With Catholicism, Islam and Judaism all firmly established in Kerala, there was more religious freedom than in other parts of India, so she was able to get a job at the naval base (as her husband had died 'in harness') and continue running the household at the same time.

As the third son, Sahasra was only three when he lost his father – and money was tight. Luckily he was able to attend a local school and university with strong academic reputations – both Maharaja's College (school) and the Sacred Heart College (university) are affiliated to the Mahatma

Although, in the end, he remained in finance, Sahasra does not see this as a compromise. "What we try to do here at Falcon is engineering – but financial engineering. Everything is structured, made to order and bespoke. It is not something you can take off the shelf. Everyone has specific needs and you need an open mind to see how these can be met."

The State Bank of India

Armed with an accounting qualification, Sahasra joined the State Bank of India (SBI) in 1982 and, like many large financial institutions; its scale and reputation made it the ideal first employer. "If you ask any ex-

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Gandhi University – which encouraged open thinking and discussion.

"I was not supposed to have been a trade banker," he reflects. "I was meant to have become an engineer. But it was too expensive to study for another four years to qualify in engineering so it was agreed I would study financial accounting first and then take up a job and study engineering part time in evening classes."

trade banker from there they will tell you they learned all the tricks of the trade from the State Bank of India – although they don't practice much of them," he says.

Despite its imperial origins (SBI was set up as the Imperial Bank of India by the British in the 19th century), the Kochi branch managed to develop its own unique 'hands-on' trade culture. It was at the trade desk that Sahasra got under the skin of



Falcon Group's **NAM SAHASRA** talks to **CLARISSA DANN** about growing up on the Arabian Sea, financing innovation, and how persistence pays off

the transactions he was financing: “We used to buy raw materials like sulphur and phosphoric acid from the Middle East and the letters of credit and other documentation would be routed to the Kochi branch of SBI.”

By 1993, it was becoming clear to Sahasra that, after ten years, the chances of a fulfilling career path at a state bank were unlikely. Not yet 30 years old, he was itching to do more international work and build on his experience. Like many trade finance career moves, the next step – from banking to trading – came from personal recommendation.

Banker to trader

The Riyadh-based Saudi Industrial Export Company (SIEC) was an important client to SBI and the president, Hamdan Al Hamdan, suggested he applied for a role there as the market in the Middle East was on the cusp of the dramatic growth in trade business it has been enjoying for the last 20 years.

Moving to Saudi was a significant culture change, not least of which he had to learn Arabic and adapt to a strict Islamic society. But adapt he did, helped by the fact that much of the Kerala dialect he absorbed as a child already included many Arabic words because of the trading

history. “It was a pleasant surprise to find that many words I knew as my mother tongue were actually Arabic,” he says.

Although this meant leaving India, he took the plunge and his new wife joined him in Riyadh once he had got his feet under the desk. And they loved it. “Riyadh has a huge family and social life. There are no shopping malls and no cinemas so everyone goes to each other’s homes and you build very close relationships,” he observes.

I point out that his own managing director Will Nagle moved from banking to trading and found it something of a shock (see *TFR*’s profile of Nagle at www.tfreview.com/node/7646).

Sahasra reminds me that SIEC is not a pure trading company and its business model is founded on being a channeling partner for goods in and out of Saudi. These include a mix of bulk commodities, fertiliser, chemicals and petro-chemicals.

This ‘one stop shop’ approach to trade facilitation is a model Sahasra has been reshaping since joining Falcon in 2002. Not only does SIEC sign off-take agreements to export supplier/producer commodities, but it:

- offers a variety of trade finance instruments such as documentary credits;

- fixes up relationships with other financial institutions such as the Islamic Trade Finance Corporation (ITFC); and
- provides a complete set of logistical services. This includes shipping, loading, supervision of inspection arrangements, correct documentation and management of payment procedures.

“We would not only handle the goods themselves, but provide the financing, arrange insurance and a shipping company to transport the goods,” he explains, adding: “It was a brilliant learning step as I could see how everything was done from both a banking and trading perspective.”

With trade finance founded on autonomy from the underlying transaction between buyer and seller, it was a rather different set of skills he developed than those of a more orthodox trade banker. “You have to hold the hands of these guys to make the deal happen,” he says, making the point that this is a fundamental client retention strategy. In other words, control of the entire critical path ensures the business does not go to a competitor.

London calling

When I ask him how he met Falcon’s chair Kamel Alzarka, it was clear this was something of a saga. In 2002, Falcon’s current Riyadh area manager Abdulkarim Bintaleb was a colleague at SIEC and had worked with and Alzarka during Bintaleb’s days in the Eastern Province of Saudi Arabia. As he thought Alzarka would appreciate Sahasra’s experience Bintaleb offered to forward the Sahasra’s CV.

Although there was no conscious plan to change jobs at this point Sahasra thought there was no harm in giving his former colleague the CV, and promptly forgot all about it.

Three months later, his mobile rings and a caller from a London number (Falcon had opened an office there) follows up on the CV. Sahasra’s somewhat inauspicious response was: “I don’t remember applying for any job in London, I am based in Riyadh.” Undeterred (as with Nagle, when Alzarka decides to headhunt somebody, he is usually successful), Alzarka says: “I am here in Riyadh for a few days, so come to my hotel for a chat.”

The meeting is fixed for the next afternoon and when Alzarka first appears

Nam Sahasra

CAREER PROFILE

Current role

Director, Falcon Group, Dubai, 2002 to present

Previous roles

Finance specialist, SIEC, Riyadh, Saudi Arabia, 1993-2002

Trade banker, State Bank of India, South Zone, India 1982-1993

Nam Sahasra holds a Bachelor's degree in Commerce from the Sacred Heart College in Kochi, and completed the intermediate course at the Institute of Cost Accountants in India

in the lobby Sahasra thinks he is being checked over by some sort of junior assistant and Falcon's founder is following on later. "I was waiting for an older, balding pot-bellied guy and along comes this slim and striking young man."

At any rate, despite understandable worries about notice periods and plunging into the unknown, Sahasra agrees to join Falcon, running Saudi operations from Riyadh before taking over the Dubai Office in 2003. It was the prospect of not only a long-term relationship with Falcon that attracted him but the remit to develop enduring client relationships that used his very specific structuring skills.

Building the business

"I was lucky enough to join Falcon at a time when he [Alzarka] was building the business," says Sahasra.

He adds: "We spent a lot of time finding the right sort of people to join us and putting them in the right jobs. We developed offices in the Middle East, and started the ground work building our presence in Singapore, Malaysia and Jakarta."

The 'Falcon touch' has, to a certain

extent, been shrouded in mystery, and there is no comprehensive list of off-the-shelf services listed on its website – as there is with SIEC. This, says, Sahasra, is because, "you have to be specific and bespoke in areas other providers cannot compete – that has worked for us from day one".

The package and the pricing depend on the needs and requirements of the customer and assessing those means having a direct presence in the relevant countries of operation – "wherever we are present in a region, we have to have our own office and our own people".

When asked about the higher margins (than trade banks) Falcon charges for its services, Sahasra wastes no time in pointing out the reduced liquidity available from banks in a Basel III climate. "And", he reminds me, "nobody comments on credit cards costing three times more than an overdraft, but it's the most booming business in the world. We don't charge anything like those rates and we're very transparent in our pricing – there are no hidden charges. People appreciate how we help them by removing the worry about security."

Customer profile

He is, however, quite picky about what clients he works with. "Number one, they have to be a respected sort of business. We love clients with an innovative business idea, clients that are trying to develop something." One example of this is Microsol, whose director of marketing and business development, Suri Penubolu, shared some of this renewable energy company's innovations at Falcon's 2013 annual conference in Dubai (see 'Who will fund the new trade locomotive? Dubai forum report' at www.tfreview.com/node/8852).

The other key feature of a Falcon client is that there needs to be a win/win in terms of the value of the bespoke service that is being provided. "People need to understand the opportunity cost they save by coming to us. If a company does not have a finance culture they are unlikely to become a client – however big they are," says Sahasra.

Global trade hub

As an established business trade and logistical hub to reach emerging markets – particularly in the MENA region, Dubai and the UAE have been attracting more



Nam Sahasra (second left) with clients at Falcon's 2013 trade finance conference in Dubai

and more trade flows – and so it was hardly surprising that the ICC Banking Commission has launched a regional MENA branch in February 2013 (www.tfreview.com/node/8702).

Having pioneered specialist trade finance in the region, the UAE contributes "a very large chunk of Falcon's business which is now a pivotal point of further growth". Post Arab spring, Dubai is seen as a safe haven in the Middle East and its government, says Sahasra, is "open to new ideas".

Regulated by the Dubai Financial Services Authority, Falcap Ltd, the regulated entity of Falcon Group, has been focusing on some of the cash management initiatives in the region – specifically supply chain finance.

Work-life balance

When I ask Sahasra how he relaxes, he jokes: "we never relax at home, we always fight". "Actually," he says, "it is a nice small family and we don't take differences of opinion personally."

His wife teaches in a Dubai kindergarten, so is out to work before he wakes up, and she is asleep after a tiring day of other people's children when he gets in. This, he says "keeps our relationship fresh" because they are always looking forward to the times they can see each other.

Their daughter is a medical student in India where Sahasra still has a lot of family but their son lives with them in Dubai and is in his final year at a local high school.

Although some piece of Indian infrastructure may have been a little different if Sahasra had been able to pursue his engineering dream, the business solutions he has come up with as an alternative financier with Falcon have had rather more of a global impact. **TFR**