

Exchange Houses in the UAE: Technologically Advanced

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One of the unusual characteristics of the employment world in the United Arab Emirates is the high ratio of expatriate to citizens working within businesses and industries. This has given rise to huge amounts of money being repatriated outside the Emirates to their country of origin. Ever since the country was formed under the leadership of the late President of the UAE and Ruler of Abu Dhabi, His Highness Sheikh Zayed bin Sultan Al Nahyan, exchange houses have thrived on this factor, making it probably one of the few countries in the world that has such a huge number of exchange companies within its borders.

Leaders in the money transfer business worldwide (the global money transfer market is estimated at US\$150 billion) like Western Union, Moneygram, Travelex and UAE's own product Xpress Money, all have a regional base in the UAE, only because the sheer numbers dictate it. Take for example a leading exchange company in Abu Dhabi that annually remits over Rs 5000 crores a year only to India. Even if the specialist money transfer agents garner 15 per cent of that business, the figures prove that the exchange industry is up and on the rise.

"We are reputed for our money transfer from 'anywhere in the world to anywhere in the world' in just a few minutes," said Katta Prasad, Marketing Manager, Middle East, Pakistan & Afghanistan, Western Union FSI, Dubai. A First Data Company, Western Union is



Heavy duty servers (above) are a common part of an exchange's IT infrastructure. Customer satisfaction is the key to the success of an organisation and exchange houses constantly innovate to improve relationships with customers



If there is one thing that customers want from exchange houses, it is trust! And exchange companies are not just about money exchange, but money transfer and customer service as well.

Advancements in technology has increased the speed of transactions and has left customers completely satisfied. UAE exchange houses are now IT savvy and customer savvy – both essentials in the long run to success. And, while there are over 200 exchange companies in the UAE, it is only a handful that share the majority of the business.

over 133 years old that started existence as a telegraph company in the United States. Today they deliver an array of financial services to help both corporations and individuals. Covering 150,000 locations in 190 countries and territories worldwide, the service provides a quick and secure solution to send cash to cash transfers without the need of a bank account.

In addition to the world's fastest cash to cash transfer service, Western Union has pioneered B2B and C2B payment solutions, allowing customers to pay for billable services and utilities and receive urgent electronic payments. "One of the keys to our success is that expatriates, parents with children attending schools abroad, visiting businessmen and women, professionals, migrant workers and ethnic consumers with families and relatives overseas make use of us in times of need," stated Prasad.

While these do present challenges for the company especially when dealing with diverse and radically different countries around the world, the organisation ensures that each country's compliance is met with. For India a simple example would be the limit on remittance of US\$2,500 per month to a maximum of 12 transactions a year.

Some of the services provided by Western Union are cash to cash transfers, business account to cash transfer and vice versa, and individual account to cash. "One of the reasons we are doing so well is our technology that has been far ahead of the competition," remarked Prasad regarding the growth inspite of moving out of the USA as late as 1985. Even 100 years ago the company was forward looking in terms of technology and that is the reason why the organisation has managed so many locations within a short space of time.

With the UAE profile of Asians, Western Union is now concentrating on the Indian Sub-continent. For all those who use Western Union, they get accidental life insurance for 35 days from the time of remittance to a maximum of US\$1000 or a minimum of US\$400, depending on to the sum remitted. This amount is paid to the beneficiary for the next 12 months since the permanent disability. Managed by ALICO, the scheme has caught the fancy of Asians that has been a neglected segment of the busi-



Katta Prasad, Marketing Manager, Middle East, Pakistan & Afghanistan, Western Union FSI: we are reputed for our money transfer from anywhere in the world to anywhere in the world in just a few minutes

ness for years. In India itself the company has over 7000 locations and within the UAE, 240.

Travelex is a relatively new brand to the Middle East. Recently launched in the UAE, Travelex is the world's largest foreign exchange company with 650 offices worldwide. Having acquired Thomas Cook in 2001, Travelex has been growing steadily since. With four main business-wide retail schemes, Corporate Foreign Exchange, B2b segment - being the world's largest issuer of Mastercard and Visa cheques and Visa prepaid products, and Money Transfer, Travelex which was a 49 per cent shareholder in MoneyGram and eventually sold that stock back to them to launch Travelex Money Transfer gave them the opportunity to build their own business. "We operate through a state-of-the-art web based system," stated Rob Groombridge, Regional General manager, Middle East, Travelex, "which applies existing Travelex capabilities to offer customers a wider choice of transfer services including cash-to-cash, credits to bank accounts and remotely credited prepaid cards."

Five of UAE's leading exchange houses have already tied up with Travelex to offer their customers this

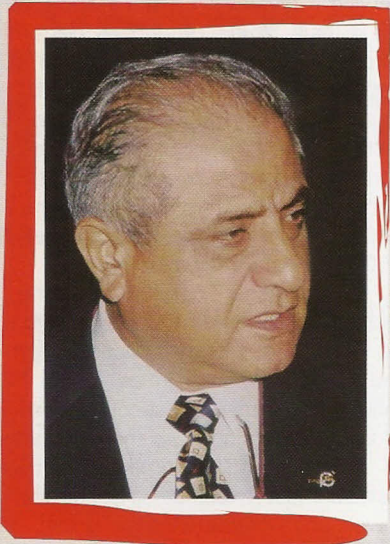
service. Travelex's Cash Passport cards are already being offered to customers through exchange houses that are quite popular with those whose wards are studying abroad. The cards are like instant cash, as one just has to load the cards at the exchange and instantly the beneficiary who has a similar card can withdraw the money from any of the 750,000 Visa ATMs worldwide.

When Asgar Patel first came to Dubai, it wasn't with the intention to settle down. But the construction boom in the seventies and eighties saw a huge influx of expatriates, especially from the Indian Sub-Continent. As the only method of sending money home was through *hawala* most expatriates, especially the lower and middle income group, preferred to use the newly setup exchange houses. **Wall Street Exchange Centre LLC** was among the first few companies in the UAE to set shop. Literally they were a small shop that was kept non-sophisticated in order to ensure that the workers didn't feel too intimidated. Patel has always kept his ear to the ground, looking at every situation in a practical way and formulating marketing strategies that are sound and workable.

"Today, especially after 9/11, with security being a major issue, the compliance issue has become so stringent that all exchange houses are evolving to become IT savvy," said Asgar Patel, Chairman, House of Patels of which Wall Street Exchange is a part. The exchange and its affiliates world-wide are one of the leaders in Foreign Exchange and Financial Services in the global market place. Their mission is to strive towards excellence in Foreign Exchange and Financial Services to ethnic and local clientele from Asia and the Middle East offering a sophisticated and high-tech level of services in terms of quality. "To



The dynamic IT team of Wall Street Exchange Centre



Asgar Patel, Chairman, House of Patels: all exchange houses are evolving to become IT savvy

share our expertise in the under-developed and developing markets building upon our infrastructure to promote the impetus to the development of such Financial Services is one of our key mottoes," remarked Patel.

The company has now mastered the art of offering clients from different walks of life and different places of the world a sophisticated and high-tech level, yet personalized service. Exchange and transfers have never been made so simple, highly accurate, efficient and swift due to its heavy and custom made investment in IT.

"The eighties were so different from present times," remarked Patel. He reminisces how only the British and Europeans used banks to transfer money. By and large, it was the Asian population that depended on exchange houses. SWIFT (Society for Worldwide Interbank Financial Telecommunications), Fax and Telex were the major modes of transfer, and Indian banks were generally tough on rules because of its closed-door economy. Wall Street became a bank note company then catering to the expatriates' needs of exchanging money. Patel cites his clear and transparent policy as one of the reasons of his success. It was in 1986 that he computerized his exchange and today has over 25 dedicated staff in IT that develops in-house all programs and applications necessary for the smooth flow of data, currencies and information. In fact a full-fledged disaster recovery unit is always ready in case the

main terminals crash. None of the information is lost, down to the last minute of transaction as everything is backed up. The entire system is built for high security with firewalls and a centralised EDP operations for all the branches

Using IBM AS-400 servers, the fastest and the most reliable machines, Wall Street's confidence in its software is complete. "It is not a small business nor is it an easy business," said Patel. Online 24/7 the system is planned for continuous growth. "We are the market makers," said S. Chandramouli, Operations Manager, Wall Street Exchange Centre LLC. "Customers scout around and see what rates are offered and then come to Wall Street Exchange finally." The office in New York adds to the benefit of the organization as the operations are close to the financial capital of the world, which is the USA. The company is now focusing on the Far East – Malaysia, Indonesia, etc rather than the West as Patel feels that there are better opportunities for them there. Also, the Indian market is huge though there are challenges like compliance issues for each transaction. Patel is highly appreciative of the UAE Central Bank that is progressive, co-operative and forward thinking.

Thomas Cook Al Rostamani Exchange Company (TCARE) which is celebrating its 25th year of customer care is part of the Al Rostamani Group, a business conglomerate with net assets of over US\$ one billion. TCARE is also the authorised representative of the Thomas Cook Group Ltd., one of the oldest and largest Travel and Travel related service companies in the world. "Thomas Cook Al Rostamani Exchange Company's vision is to become the most preferred brand in the United Arab Emirates for Foreign Exchange and Money Transfer services," said Khalid Al Rostamani, General Manager of TCARE. "To realize our vision, we are building a world class company," added Al Rostamani.

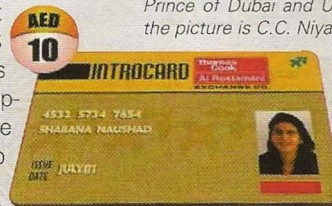
TCARE stands apart from its competition with its value packed customer care loyalty card – IntroCard. Members pay

only Dhs 10 to receive a host of benefits like free 5th remittance, free auto renewal on carrying out one minimum remittance transaction during the year, free worldwide accidental death insurance cover of Dhs 20,000 in association with Arab Orient Insurance Co. and free discounts at leading partner outlets all over UAE.

"Customers appreciate good service," said Neena Birla, Marketing Manager, TCARE. "Products offered by most exchange companies are quite similar, but the key element is providing more value to your customers at the same cost or lower costs. Introcard, is a great value added card for retail customers. Apart from this, we offer value additions in the form of excellent presales and post sales service, good exchange rates, low



Abdul Wahed Al Rostamani, Managing Director of the Al Rostamani Group receiving the Dubai Quality Award 2003 from HH Sheikh Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and UAE Minister of Defence. Also seen in the picture is C.C. Niyaz Ali, Manager UAE, TCARE



TCARE's IntroCard and Islamic gold dinar and silver dirham coins are a unique product offering



charges, and assistance in opening bank accounts with correspondent banks. A free Introcard is also given when customers open a bank account in India with our assistance."

Birla explained that their front office staff are well trained and understand customers need. They proactively update customers on new products available to meet their needs. It is this extra mile that attracts customers to their branches. With over 10 branches strategically located across the UAE (one at the Dubai International Airport open 24 hours, 365