



HEAVY LIFTING

Having worked for a number of well-known oil companies, across four continents, Mohammed Doghmi was approached by the owners of Alkhorayef Petroleum, to help take their family business to the next level. The owners had big ambitions for the company, and Mohammed was confident he knew how to achieve the results.

MOHAMMED DOGHMI

PRESIDENT Alkhorayef Petroleum

The Alkhorayef Petroleum Company has served the oil and gas industry since the early 1980s. They design, engineer, manufacture and service specialised production systems and solutions for companies throughout the globe and, as a family-run concern, they have managed to secure a solid reputation in the marketplace.

In 2017, Mohammed Doghmi was headhunted from a rival firm to assume the role of President of Alkhorayef, with the sole purpose of propelling the company into the big leagues. As Mohammed admits, it was an offer he could not refuse.

“I was working for another oil company in Malaysia at the time, when the owners of Alkhorayef approached and made me the offer. I knew the company had grown organically, building a good brand name along the way, and had become a truly international company, which is quite uncommon for a Middle Eastern-based firm. What excited me the most was the sheer ambition of the owners and I could see the opportunities to accelerate growth and improve on past performances, especially in the company’s core business in artificial lift.” (Artificial Lift is a process used on oil wells to increase pressure within the reservoir and encourage oil to the surface).

With a solid technology base, and a substantial R&D program to go with it, Alkhorayef had also secured several patents, with some still pending, at the time. But Mohammed was not happy with the way things had been structured in this sector. “When I looked at the positioning and branding of these technologies, the process had not been properly introduced, marketed and monetized and this was something that needed to be addressed immediately,” he points out.

Mohammed also saw opportunities to re-diversify the business by focusing on creating value in Saudi and making the most of IKTVA (The In-Kingdom total value add program), a project designed to drive domestic value creation and maximize long-term economic growth, which was launched by the Saudi government in December 2015.

When Mohammed ultimately assumed his role at the company, he immediately felt there was a vacuum in leadership, producing a lack of direction inside the business. This had led to low motivation in the workforce, as well as a lack of empowerment. He addressed this by bringing in his own leadership team, in order to



tackle the issues by starting at the top and working down through the hierarchy. Having been asked to develop a five-year plan by the board, Mohammed immediately set about putting his plan into action, as he explained.

“We set objectives to almost double in size in the next four to five years and to achieve a two billion Saudi riyal turnover. We also wanted to deliver a double-digit profit margin, as well as positive cash flow, so we structured the plan around these four pillars.”

- 1) To strengthen and grow the core business of ESP (Electrical Submersible Pumps), by increasing the market share in our key countries, whilst also expanding geographically.
- 2) To expand our surface facilities business. After 25 years we had made a name for ourselves building oil and gas processing facilities



ities such as EPFs (Early Production Facilities), EOR (Enhanced Oil Recovery) pilots, as well as permanent facilities, but this had been limited to Kuwait and the Middle East and we wanted to expand to Africa and Latin America.

- 3) To start a new wireline business – one of my main strengths, having specialised in this in my previous positions. (Wireline logging is the process of measuring the properties of a formation, in order to make critical decisions about drilling, reservoir evaluation and production operations).
- 4) Strengthen our foundations by improving our processes in manufacturing, supply chain and HR management, as well as improving our operational capabilities.

As expected, Mohammed’s plans have immediately paid dividends, with the com-

pany growing at a double-digit rate per annum over the last two years and expected to grow 25 per cent in 2019. Competition remains very fierce, especially as the oil and gas industry has been in a downturn over the past few years, and whether fighting for market share or attracting quality talent to the company, there are many issues that require constant attention, as Mohammed explained.

“Keeping pace with this kind of growth is a big job and, at the same time, trying to maintain a good service quality requires



significant investment. Sometimes you have to make trade-offs and you cannot go after every tender that is out there, but rather make the best choices for yourselves and your customers at the time.”

Alkhorayef’s good name has not just been earned by the quality of their products and the teams of engineers, technicians and operators they employ. They have managed to focus their skills on specific areas and, by being specialists in their field, have earned a reputation of being among the best at what they do. This status is something Mohammed is keen to maintain.

“Our main competitors are more diversified than us, so artificial lift is often one of their less important sectors. Because we are so focused in this area, we are able to customise our solutions to fit our clients’ needs. For example, we have developed solutions to address harsh environments in major fields, often caused by hydrogen

sulphide (a life-threatening, corrosive and flammable gas), as well as developing pumps to handle heavy oil more efficiently. We have developed all of this in collaboration with major operators, and I think this is one of the main attributes that will maintain our place in the market. We have an R&D team based in Shanghai and Saudi Arabia, who work incredibly closely with our clients, and who have earned a reputation for creating and delivering prototypes in record time.”

Of course, with Alkhorayef being a family-owned business, Mohammed inherited a very loyal team and is proud of the progress they have made together.

“Because Alkhorayef has grown slowly, many people who work here consider it a family. We always try to develop and promote from within and have initiated specialist programmes for this. You want your best people to stay and grow with you and, in such a competitive marketplace, you cannot afford to lose them to the competition. I always make an effort to meet all our employees when I visit a site. In order to be a family, you need to act like one.”

Mohammed is fully aware that there are enormous challenges ahead, not just for Alkhorayef but for the whole industry. However, he is realistic about what needs to change and is not a fan of the ‘old school’ style of oil production, being straightforward in his views.

“The oil and gas industries do not enjoy a good reputation and global warming, along with climate change, have ensured the industry has had its fair share of knocks over the past few years. However, we need energy, and as our energy needs increase, we will not just disappear, as we are a required energy resource. The leaders in our industry must continue to grow their companies whilst also taking a serious and committed effort to make less impact with their carbon footprint. Executives, such as me, must continue to take these small steps and embrace the changes we need to make. We need to do our part and correct the bad behaviour of the past.”

Mohammed will have a hard job balancing his company’s growth whilst continuing to address the environmental issues that such success can trigger. However, you get the impression Mohammed is a new breed of oil executive, one who understands that while both energy and profits are integral to his company, the ability to adapt and change his industry is integral to the world. 🌱

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