
Making a Play in the Middle East



By Sam Barnett, CEO of MBC Group with Jane Williams, Editor, Knowledge Arabia

In the rapidly transforming, complex and often volatile landscape of Middle East media, flexibility is crucial.

As CEO of a satellite television network in the heart of the Arab world, Sam Barnett (INSEAD MBA '97J) is no stranger to change. Whether it's investing in new platforms or technology or finding a safe haven in which to produce local content the trick, says Barnett, is to keep flexible.

"In a situation when you have volatile politics and rapidly developing markets and in... an industry where technology is changing – what I try to do is keep options," he told INSEAD Knowledge. "At MBC (MBC Group) we make sure we don't put all the eggs in one basket and rush into something one day because things could change the next and you may have to reverse."

The Middle East media landscape is a microcosm of today's social technology revolution. It's a cluster of rapidly developing, increasingly educated nations where internet penetration and computer literacy is changing the habits of media consumers.

Amidst this transformation, is the MBC Group, the region's biggest media player and its first private, free-to-air, satellite broadcasting company. Launched in London in 1991 the group is now based in Dubai broadcasting

from Morocco to Iran to a viewing audience of around 120 million people a day.

Television still hot

Suggestions that a growing rush of on-line media will threaten MBC's position is dismissed by Barnett who notes the number of television viewers in the region, like elsewhere around the world, is growing. In a volatile market like the Middle East, he says, there will always be a place for an independent, accessible voice.

"The Middle East has a very interesting characteristic, it's 22 different countries, so 22 different regulations, all of them speaking broadly the same language. When we broadcast the final episode of Arab Idol our audience was 92 million people. You don't get that on dying technologies. What we're finding in fact is that content coming through on other media is actually strengthening and putting attention back on to TV as well, so we're very strong.

"One of the things about the internet is that unlike satellites it's not in the sky it's on the ground and very much controlled by domestic telecom networks so the ministry of information of any country can control it and when it really matters – as we saw during the revolutions in Egypt and Syria – they can switch it off or influence it in a way they can't with satellite TV."

The business of broadcasting

Coming from a business background, Barnett, who started with MBC as chief operating officer in 2002 taking on the role of CEO in 2011, admits he can't set up a top box, but says the business angle of satellite television technology is reasonably simple.

"I've been on a steep learning curve but I don't think it's more challenging than elsewhere. The one thing you do have to do is to be very clear on what you don't know. One of the difficulties with television is that anyone who watches it and enjoys it, assumes they have the ability to make choices relating to things like programming, set production.

"While these decisions may be very attractive or interesting ones to make I have people who are experts doing that ... (leaving me to) focus on business dynamics."

Considerable risks

Not that business decisions in this part of the world aren't interesting. MBC has played a crucial role during the Arab Spring keeping millions of viewers updated on what's happening – often in their own backyard. The task, notes Barnett, can be particularly hazardous and the core challenge for MBC during this time has been the protection of its staff.

"The work they do is important, it upsets some powerful people so they're at considerable risk. We've had people kidnapped, assaulted, imprisoned but we haven't lost anyone. Unfortunately other broadcasters can't say the same thing."

From a business perspective the fundamental challenge during this time has been to stay on air.

"Clearly we are in a risky neighbourhood. Dubai in the UAE where we're now based, is safe and secure, but we operate in countries that are currently going through turmoil. We make our fixed shows in Beirut, we make our Egyptian platform in Cairo, we were doing our dubbing in Syria; so we're playing in countries which are volatile politically and that puts pressure on our business."

Depending on the hostilities MBC has had to evacuate offices from Beirut to Cairo and Cairo back to Beirut. It's had tanks brought in to protect its stations and had its satellite shot out to stop transmission of its 24/7 free-to-air news and current affairs satellite outlet, al-Arabiya in Libya.

"It took down our whole transmission so our business just went dead," Barnett told an INSEAD Business leaders conference in Abu Dhabi recently. "We moved to another transponder and for several weeks we played cat-and-mouse with the Libyans as they would shoot us down and we'd move on. We only solved this when we put the al-Arabiya channel, which caused the offence, next door to Libya's state TV, because when you shoot down one (transmission) you shoot down the whole lot."

The cost to business can't be exaggerated, Barnett adds, noting the considerable effort put in trying to figure out what will happen next and ensure business is not lost because of political whims.

Flexibility is key

“How you deal with this is to design your strategies with all these weird options and make sure you are nimble enough to change your long-term plans in an instant.”

For a satellite television station, flexibility is also important when it comes to investing in technology and second guessing whether products considered state-of-the-art today will be superfluous tomorrow.

MBC was first in the region to bring in video on demand (VoD) services with its Shahid.net platform and later launched MBC Mobile Services (MoBC) designed specifically for mobile users.

Barnett’s ability to adapt to the unknown was honed early when, after graduating from Cambridge, he went to work for an NGO in Kenya. Later, after attaining an MBA from INSEAD he returned to Africa as a consultant for PricewaterhouseCoopers focusing on privatisation, inward investment and developmental projects.

“Working in small villages as a youngster, you become very clear on all the things you don’t know. There was a degree of being punched in the face at an early age that gives a degree of humility which I hope has carried through,” he says, noting emerging markets like Africa and the Middle East provide a great deal of opportunity and “fun” for young executives, giving them the chance to make decisions and have experiences they would be unlikely to face in a developed country.

“People may accuse you of being a big fish in a small sea but to me that’s just good niche marketing. If you can get yourself in a place where there’s all these fascinating things happening then you are exposed to a much wider variety of events and decisions.”

Managing diversity

For young executives looking to work in these areas, the ability to work with diversity is crucial.

“We have 65 nationalities working at MBC in a highly stressed environment, you see our product within seconds on the screen. If anything goes wrong we get feedback within seconds on Twitter.”

And his advice to new graduates.

“I think early on it’s about the responsibilities you get rather than your title or your salary. It’s about trying to find jobs where responsibilities scare you, because those are the ones where you grow. And be nice to people particularly when you’re working in an international market.

“People say you’ve got to be aggressive to get ahead on business, yes you do need to be aggressive on targets and you need to be disciplined on making difficult decisions but you have to be able to distinguish that from how you deal with people in an environment like MBC’s.”

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