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# “How many cups of coffee does it take to close a deal in the Middle East?”



By Andrew Shipilov , INSEAD Associate Professor of Strategy

## **Investing in long-term liaisons is key to forging successful business relationships in the Arab Gulf.**

Taking the time to get to know potential business partners in the Middle East, is more than just courtesy. It is an intrinsic part of the region’s deal-making and can help novices to the region navigate the complex web of customs, regulations and customer/supplier relationships.

How can I develop business relationships in the Middle East? Is networking in Dubai different from networking in Abu Dhabi? These questions were raised during a panel discussion I recently moderated in Dubai as a part of an INSEAD networking conference (which included the Middle Eastern launch of my book **“Network Advantage: How to Unlock Value from Your Alliances and Partnerships”**). The discussion involved INSEAD MBA students and senior business leaders from the U.A.E., including Mishal Kanoo (Deputy Chairman of the Kanoo Group), Gary Chapman (President of Group Services & dnata, The Emirates Group), Nicholas Clayton (CEO, Jumeirah

Group), Mansour Hajjar (Managing Director, Chalhoub Group), Robin Mills (Head of Consulting, Manaar Energy) and Constantin Salameh (CEO, Al Ghurair Investment).

While business networking among customers, suppliers and competitors is important around the world, it is particularly so in the Middle East where local business partners want to learn about you as a person before they contemplate any deal-making.

One panellist reflected on a situation where a Western colleague posed the question “How many cups of coffee does it take to close a deal in the Middle East?” The answer was “As many as it takes!”

Companies in the Middle East, and especially in the U.A.E., are eager to do business with the West, but Western businessmen need to be sensitive to the Emiratis’ need to deeply understand their partner’s motivations. Some Western companies try to enter the region for short-term gains and are ready to exit quickly. These are precisely the partners whom the local business people want to avoid.

To the Emirati community, investing in long-term relationships is key to successful business. One panellist reflected on several instances where his company, the leading purveyor of luxury brands in the region, turned down offers of collaboration from partners who did not show deep commitment to staying in the relationship over the long-term. In doing so his firm showed it was prepared to forego very attractive contracts and the likelihood of short-term profits without the promise of lengthy collaboration.

The panellists noted that business people from Northern Europe (Scandinavia and perhaps Germany) were more likely to fall into the trap of cutting the networking part short and going straight to business and were less willing to invest in a long-term relationship. Southern Europeans on the other hand (presumably Italians and Greeks) often found it easier to understand the region’s long-term focus on networking. Having said this, one should not assume Emirati businesses are slow in decision-making. Once trust is built, local partners make decisions very quickly and will open doors to many opportunities in the region.

It is also not correct to assume that people network the same way across the Middle East. One panellist noted the significant differences between networking in Dubai and Abu Dhabi, two UAE cities separated by a 150km

stretch of highway. In Abu Dhabi, the business community places a much stronger emphasis on the establishment of long-term relationships. Here one should expect to make an even greater investment (in terms of time, effort and, yes, drinking coffee) in getting to know a prospective business partner before any deals are struck.

My own reflection suggests a very short-term orientation for doing business in the region is perilous in another respect. The local business community has a lot of wisdom when it comes to navigating complex relationships among buyers, suppliers and competitors, and they can offer advice on the relative merits of different local business partners. This can give the newcomer a good perspective of the region's social landscape. It's a shame to fall into the temptation to short-change such potentially valuable insights obtained through long-term relationship building and go straight to business. And, yes, the Arabic coffee, coupled with marvellous local sweets, is a great complement to a thoughtful discussion among (prospective) partners.

For more insights into business networking, please check out my book at [networkadvantage.org](https://networkadvantage.org).

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